

One-brand audio systems in demand

By Mark Andrews

The one-brand audio system, once the poor stepchild of the hi-fi industry, has grown up and may soon be taking over the family.

According to top executives at Pioneer, Kenwood, Sony and other leading audio companies, one half to two thirds of the high-fidelity systems sold in this country will soon be single-brand ensembles—factory-matched sets of audio components, marketed complete

Continued on Page 14

Buyers seek quality PC software

By Bob Citelli

As the market for personal and small business computers expands, buyers are faced with the continuing dilemma of providing their customers with easy-to-use, well-documented software.

Buyers note that the software currently available is a highly profitable category capable of commanding a 40 percent markup in many instances.

The computer marketplace continues to evolve. Recent announcements that major manufacturers have dropped the prices on their systems is viewed as a potential catalyst by computer buyers. However, merchants believe widespread acceptance and entry into the home is still two to three years off.

In addition, computer buyers bemoan the lack of promotional activity on the part of software publishers. While retailers report they are able to generate large markups, they also report there is virtually no assistance at the retail

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ComputerLand, New York City, displays wide array of personal computer software along store's wall.

Dealers find profits in VCR rentals

By Kathleen Lander

Rental of pre-recorded videocassettes is becoming a major source of profits to retailers, with or without permission of the pro-

gram producers.

With new rental plans appearing each week, rentals now account for as much as 70 percent of annual volume in pre-recorded videocas-

settes, according to estimates of some dealers. Fotomat, one of the pioneers in VCR tape rentals, reported rentals six-to-one over sales last year.

Producers and retailers of pre-recorded videotapes have sharply differing points of view on rental vs sales. The motion picture studios generally maintain that rentals take away their control of the distribution of their products and do not allow them a share of the rental profits. Retailers see rentals as a necessary way to make money in the highly competitive video market and as a service to customers.

Consumers, meanwhile, are voting for renting by signing up for rental clubs or taking home a few tapes on an individual basis.

The reality is that videocassette rentals are a success in today's marketplace. The experience of Columbia Videosystems, a complete video hardware and software store

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Video Wizard, Flushing, N.Y. announces rental program with in-store signage.

Electronic games show slight growth

By Bob Citelli

After several years of prolific growth, the electronic games category slowed to a lesser pace in 1980, causing consolidation among the manufacturing ranks in 1981.

According to NPD Research, Floral Park, N.Y., electronic handheld and tabletop games climbed to \$854 million at retail in 1980 with 41 million units sold. This represents a 40 percent increase in units and a 26 percent increase in retail dollars over the previous year. NPD maintains an ongoing panel of over 13,000 nationally representative families. Using a prestructured, monthly diary, the panel members report purchases to the firm.

NPD's diary further projects that electronic learning aids, a rapidly expanding category, sold 10.6 million units last year at \$175 million, up 126 percent in units and 240 percent in retail dollars over 1979. Reportedly, videogames, accessories

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Portable stereo takes hi-fi outdoors

By Mark Andrews

Once upon a time, high fidelity was a hobby for the homebody. But not any more. Today, thanks to modern microtechnology, hi-fi sound has hit the road—the open road. High fidelity has gotten up and gone outdoors.

Wherever you go these days, you can seek people walking, jogging and skating around with hi-fi tape decks strapped to their waists and with tiny but full-range stereo headphones nestled lightly over their ears; getting spaced out on a pound of sound. It's a national phenomenon. The pocket-size stereo cassette player—sometimes

with a miniature radio tuner built in—has sparked a whole new era in portable hi-fi.

Sony let the pocket stereo bug loose a little over a year ago when it introduced its Walkman, the first ultra-miniature, battery-operated cassette tape player with big hi-fi sound. The unit weighed just 13 7/8 ounces, delivered its sound through a pair of flea-weight 1½-ounce phones, and had a suggested retail price of \$200.

"Before our competitors got into the market, we were the only company with such a product," noted Joel Grossman of Sony. "And we still feel we have sound quality over

our competitors. We leave it up to the consumer to make that decision." Grossman said Sony welcomes the competition because "we believe this will only help our sales in the future."

Walkman was introduced to the tune of a massive nationwide ad campaign, and the result was a sales boom that created a whole new product category in the

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Sony customers don't buy different products. They buy different Sonys.

In the past few years, we've all been witness to a dramatic revolution in home electronics.

Which means that as more and more products come out, there are more and more products for you (and your customers) to choose from.

But there's a certain choice customer who doesn't make choices:

The Sony customer.

As technology becomes more and more complex, his choice is still simple. Because he realizes Sony invents much of the tech-

nology that the rest of the industry eventually picks up on.

However, there's an even more important reason that hits closer to home. It's the fact that he's lived with Sony products for a long time. So he knows that Sony not only incorporates the latest state-of-the-art technology, but that they perform well for years to come.

And he knows he'll get the famous Sony quality in whatever Sony he buys. Whether it be a Trinitron with the famous one-gun, one-lens system. Or Betamax, with the remarkable BetaScan feature. Or any

product in our exciting new line of stereos, radios, and tape recorders.

So while the market fills up with more and more hardware from more and more manufacturers, more and more customers are avoiding the glut.

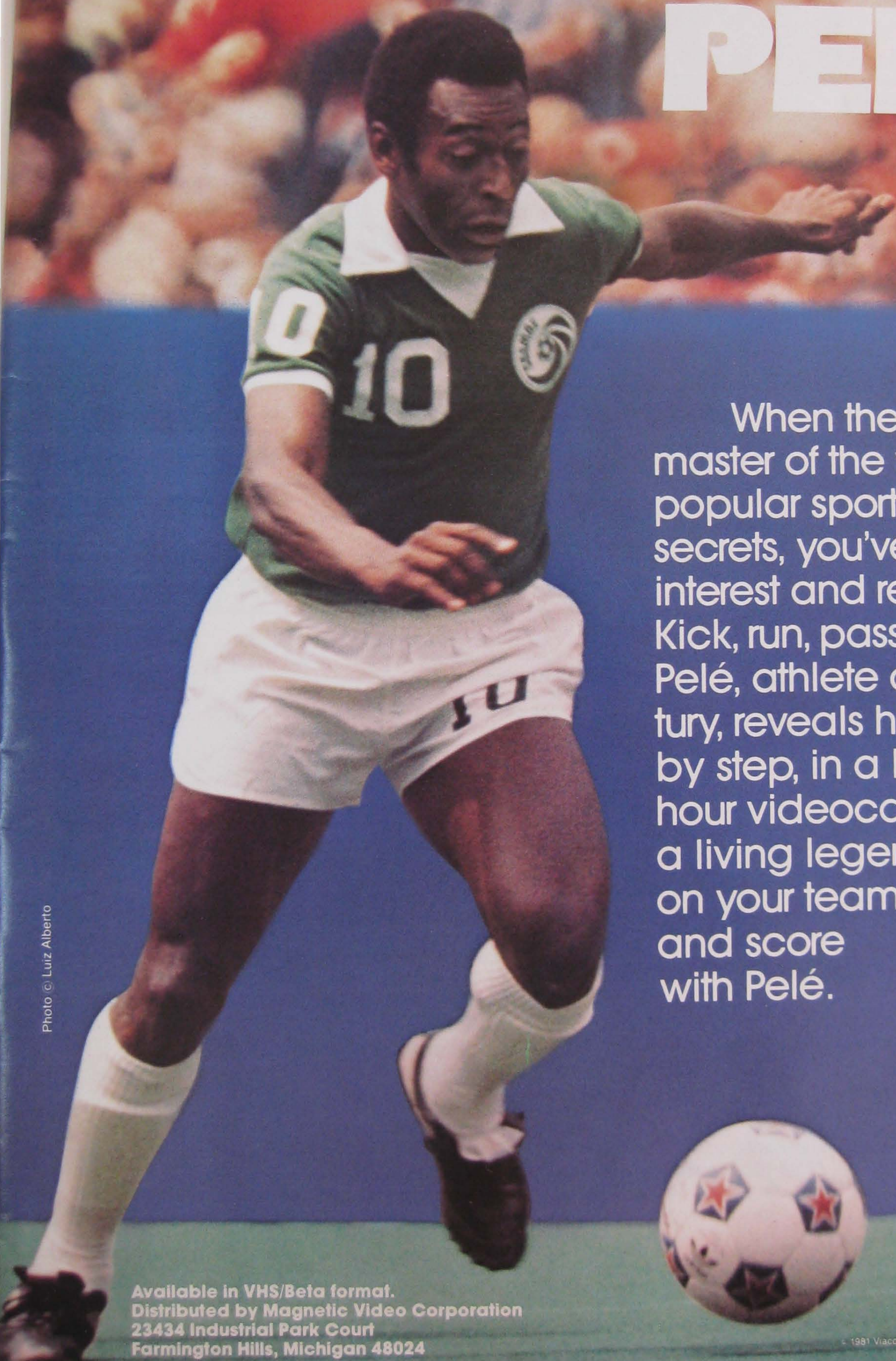
Because after all, they're not interested in new products.

Just new Sonys.

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SCORE WITH PELE!



When the all-time master of the world's most popular sport teaches his secrets, you've got fiery interest and red-hot sales! Kick, run, pass, score...when Pelé, athlete of the century, reveals his art, step by step, in a brilliant one-hour videocassette. Put a living legend on your team and score with Pelé.



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Circle No. 6 on product card

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LTE's new additions

Beginning with this issue, LEISURE TIME ELECTRONICS has entered the audio field. Recently, I announced the appointment of Mark Andrews, the syndicated audio/video columnist of the *New York Daily News* as our new executive editor. Mr. Andrews also spent some time as the editor of the *High Fidelity Trade News* and brings to our staff a strength in audio writing which will serve us well in our hopes of helping you the retailer better understand merchandising this re-emerging market of audio products. In this issue, Mr. Andrews has addressed audio systems sales which are making a comeback after a number of years and coupled with video products now look to be stronger than ever in the years to come. Additionally, in this issue Mr. Andrews has looked at personal cassette recorders and as you know this certainly is an up and coming category.

With the incompatibility of the video systems (both VCR & disc), and the number of duplicated products in all other leisure electronic products, media support to the consumer now becomes far more important in the selection of merchandise for your retail stores. To address this problem, LEISURE TIME ELECTRONICS will now feature a media section which will expose both broadcast and print ads and manufacturer plans for these advertisements as a regular department.

As an ex-retailer, I learned that those materials which manufacturers supplied were very important to my business. In this new market, it becomes incumbent on the manufacturer to help sell through product whenever and wherever possible.

To ensure that the retail community is informed, we have begun a section which we call "Sales Aids". In this section we will present an ongoing look at 'point-of-purchase' display materials as well as report on manufacturer in-store sales training programs so that you and your staff may benefit from their training efforts.

It's true that a retailer especially in a mass merchandising situation doesn't have to be a technical expert. For those of you who aren't, our engineer-at-large Jay Smith will give you a layman's knowledge of the working of video tape heads and how they function as opposed to audio tape heads.

Your overwhelming response to our publication has encouraged us to continue our efforts to help merchandise this new category of in-home/family electronics. We will continually try to bring you as much information as possible to make your job if not easier then certainly less complicated. In many categories, the jury is still out as to which system will set the standard. Inevitably, the consumer will decide this for us. LEISURE TIME ELECTRONICS will continue to remain the buyer's guide to leisure products and we invite your letters, your comments and your critical analysis of our publication.

—Stephen Bentkover

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TDK introduces a new tape formula.

It's the success formula for the 80's: Rapid Turnover. TDK tape is pre-sold, so it's no surprise to find it moving off your shelves at a rate of up to eleven times per year.

Rapid turnover is the most important addition to your obsolete formula where you only counted unit price, margins, sales promotions and advertising support.

Beginning with the audiophile Reference Series and moving through the superb Premium Series, TDK leaves no sales opportunity unturned. From metal to high to normal bias cassettes. In open reel and in over 100 quality audio and video products and accessories, TDK's leadership comes through for you.

There is no easy formula for success. You need an outstanding tape company to help make it work for you. TDK proves its case every day in your store. And every month in your profitable bottom line.



* (Unit Price + Margin + Promotion + Advertising) × Turnover (11) = (Maximum Dollars)

Circle No. 3 on product card

Forms new development group

PLAYA DEL RAY, Calif.—Larry Jones of California R&D Center, developer of toys and quasi-electronics, announces the formation of the Pacific Microelectronics Group.

The new group will be supervised by general manager Mark Knighton and will focus on developing innovative, state-of-the-art technologies in non-toy areas. California R&D markets Novag chess computers here.

NEDA sets seminars

PARK RIDGE, Ill.—The National Electronics Distributors Association has scheduled a series of Management Development Seminars to be held each morning of EDS '81, May 5 to 7, at the Atlanta Hilton Hotel.

Each seminar will focus on emerging areas offering new opportunities for diversification by electronics distributors. The seminars are only one of a series of concurrent NEDA educational programs presented each day. Among the topics to be discussed are satellite antennas, video systems service aftermarkets, and mini-computer aftermarkets.

The cost for attending individual NEDA seminars is \$25 each, or three for \$60.

Reschedule ITA event

NEW YORK—The first ITA European Home Video Seminar has been rescheduled for October 10-12 at the Palm Beach Club in Cannes, France during VIDCOM '81, which runs from October 9 through 13.

The decision to change the previously announced dates for the Seminar, originally scheduled for Amsterdam, was made when Bernard Chevy, Commissaire-General of VIDCOM, offered ITA the full cooperation of his organization and agreed there would be no other home video seminar.

Atari announces three-phase plan

SUNNYVALE, Calif.—Atari's Personal Computer Division announces a three-phase plan to increase technical services available to Atari computer users in their community.

According to Roger Badertscher, president of the division, "The company began by doubling the sales force and by adding nine training specialists." The second phase is a training program which will

be offered to Atari retailers. The goal of the program is to enable retailers to provide more comprehensive service to users covering computers, peripherals and software. The final phase involves the establishment of Authorized Atari Service Centers. These centers will involve retailers who commit the technical manpower, complete the training program and meet the company's specifications to

become Authorized Service Centers.

Atari expects the program to be completed by June. It will be backed up with two technical service toll-free telephone "hot lines," one for retailers and one for users. According to the firm, computer specialists will be on call on a daily basis from 9 a.m. to 5 p.m. to answer questions and aid consumers in troubleshooting.



JBL ANNOUNCES WINNERS: James B. Lansing Sound has concluded its nationwide store display contest for its hi fi dealer network. In all, 26 dealers were named. Above, JBL western regional sales manager Dana Graham meets one winner, Randy Wilson, Beverly Electronics, Los Angeles.

Summer CES to house 950 exhibitors in three sites

WASHINGTON—More than 800 exhibitors have already committed for space at the 1981 International Summer Consumer Electronics Show, to be held Sunday, May 31 through Wednesday, June 3 in Chicago.

It is expected that 950 exhibitors will utilize the 550,000 net square feet available. Three facilities will house exhibits at the Summer CES. The three

levels of McCormick Place will provide 400 exhibits on the Lobby Level, 200 on the Mall Level and 100 on the Concourse Level. There will be 150 demonstration rooms/hospitality suites in the adjacent McCormick Inn and 150 additional demonstration rooms and suites for special-interest audio at the Pick Congress Hotel.

Broadway stores enter Video

Society's inventory marketing plan

LOS ANGELES—The 48 Broadway stores located in Southern California have become authorized dealers for The Video Society's "profit without inventory" dealer videocassette marketing plan.

The announcement was made jointly by Ron Friedman, director of The Video Society, and Mike Stapleton, tv buyer for the Broadway outlets.

Customers of the Broadway stores who become members of the Society receive an introductory gift package including a free videocassette of their choice, plus \$70 in credits which can be applied toward future purchases.

Reportedly, more than 2,000 retailers have become authorized outlets for signing up Video Society members. For their participation in the program, dealers receive a continuing share of the profits on all sales made to Video Society members signed up by the retailers.

Video Telex buys videotape plant

CARSON, Calif.—Ultra Specialty, the international trading company, has sold a videotape manufacturing facility and injection molding plant to Video Telex Pty., Sidney, Australia.

The arrangement was announced here by Don Wong,

president of Ultra Specialty, and in Australia by Rod Craig, president, Video Telex.

Wong also announced Ultra Specialty has entered into a worldwide marketing contract with Video Telex, with the Australian company selling its 3/4-inch and 1/2-inch videotape

for marketing by Ultra Specialty.

Video Telex will produce videocassette storage cases as turn, Ultra Specialty will market tape, video components and parts, and Video C-Os to duplicators, loaders, consumers and broadcast and recording studios.

Recognizing the potential of personal computers

By William Koppelman
Marketing Manager
Ohio Scientific

The introduction of the personal microcomputer approximately five years ago generated a lot of interest among people. All of a sudden there was talk regarding the exciting uses of a personal computer in peoples' daily lives and imaginative conversations regarding esoteric applications in the near future.

Before, personal computers grew through the hobbyist, but with the introduction of application software, inexpensive hardware, and the mass media blitz, the personal computer marketplace has grown tremendously. Today, there are countless numbers of retail computer stores.

People who went to the retail computer store sought a computer for a special purpose or application to be performed in the home or at the office. With the popularity of



One of the Ohio Scientific/Wards "Computer Stores"

personal computers, the thought turned as to how the mass consumer can be attracted to the advantages and benefits of owning a personal computer.

Sophisticated Product

Apparently one major department store chain attempted to reach the mass consumer. Unfortunately, they failed. What were the major reasons as to their downfall? First of all, they successfully sold TV's and washers and dryers. But, a sophisticated product such as a personal computer cannot be sold to the mass consumer in this way. It requires knowledgeable people who can demonstrate and explain the features, functions, and benefits of a personal computer, not inexperienced store clerks who were unfamiliar with computers and could not convey the features and benefits of a computer.

Our organization entered into an agreement with Montgomery Ward who also recognized the potential sales if we could appeal to the mass market, however, they (as well as us) did not want to experience the same failure as mentioned before.

We use what we think is a unique concept in a retail department store. This concept consists of a "com-

puter store within a store" approach. Why is this unique? A major reason is the attractiveness and difference from conventional retail displays. People become very curious and interested especially when they see a "computer store" department. Secondly, apart from conventional displays which change periodically, this display does not change shape or location giving the mass consumer a feeling of permanence. If the consumer wants additional computer supplies a month or year later, he can be assured that the store is still there.

I mentioned earlier the feature of the other retail chain because they used inexperienced clerks to market the product. We took a different approach. In each location selected for a computer department, one of our computer dealers actually owns and operates the store. An experienced computer salesperson is in the store at all times. Why is this important? Because consumers have become very knowledgeable about computers. Surprisingly, few of the consumers are interested in how many bytes of memory the computer has, how much disk storage

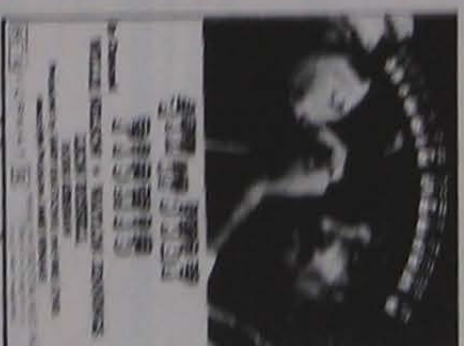
is available on a 5 1/4-inch floppy disk, what the access and latency time of the disk drive is, or the type of printer and how many characters it prints per minute.

What they are asking are very important questions related to their job or possible uses in the home. Questions which you will hear include:

- How many ledger accounts will your system handle?
- Can the systems perform LIFO and FIFO inventory methods?
- How many receivable and pay-

Continued on Page 8

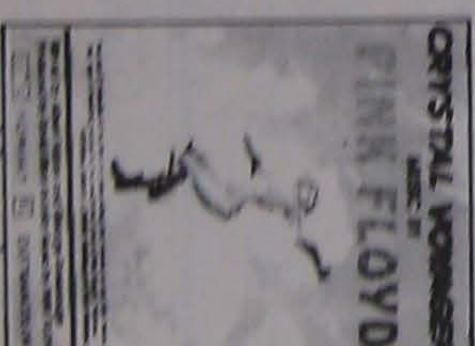
NEW FLAVORS



PINK FLAMINGOS
DIVINE
#9206 95min.

"4TH OF JULY PICNIC"
WILLIE NELSON IN CONCERT
#9204 100 min.

"AUDITIONS"
#9201 82 min.



"MS. DON JUAN"
BRIGITTE BARDOT
#9200 95 min.

"THE CRYSTAL VOYAGER"
PINK FLOYD'S MUSIC
#9205 85 min.

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Circle No. 4 on product card



Personal computers warrant attention, too

It may be 1981, but are you ready for 1995?

As we go to press, RCA is unleashing a media blitz that will introduce the world to the CED system. Other manufacturers are waiting in the wings, either polishing existing discs or readying new systems. Dealers can be seen clearing space on their shelves for this viable product. Yet, amidst all the trumpeting and fanfare that is heralding the introduction of the CED disc, another category of goods plods quietly along, making inroads to the consumer electronics marketplace: personal computers.

Personal computers may very well be the step child of the industry. The very word "computer" stirs fear in the hearts of dealers while visions of machines filling entire rooms dance through their heads. And while retailers are willing, even anxious, to take a chance with a product that has been called "the next color TV" by some and the "Gablinger's Diet Beer of the '80s" by others, they shy away from personal computers. Too bad.

Several years back people never heard of a "Betamax." Video tape was just something used on TV to replay exciting moments in sporting events. Yet a number of retailers took the plunge when VCRs appeared and are now reaping the benefits of their efforts. More recently, the disc, which was introduced for industrial purposes, has found its way into the market. Mini computers have been used industrially for several years too, and they have been on the market in

the form of personal computers, for some time now.

The point is this: by 1995 video discs are slated to be a \$1.4 billion market by the Cleveland-based research house, Predicasts. The same firm contends personal computer sales will top \$2.6 billion. (Neither number includes potential software sales.) As demonstrated by these figures, both categories warrant retail attention and the time to give it is now, when dealers can establish themselves as the local experts.

As further proof that opportunity is currently knocking, note the recent announcement by DiscoVision Associates that "two new products designed to link industrial videodisc players and computers" have been unveiled. DiscoVision is a joint venture of IBM Corp. and MCA, Inc.

The two categories are bound to be intertwined for consumers in just a few years. Whether video dealers recognize it now or not, discs are the next media for personal computer data storage. The possibilities of such a union are mindboggling. With 54,000 frames per disc, the information storage capacity is phenomenal.

It took RCA more than a decade to unleash the disc and you can bet your last dollar that they, and every other disc manufacturer, were looking at it as more than a vehicle that would play back movies.

Yes, there are currently drawbacks to both the disc and the computer. However, both represent viable consumer electronic goods and warrant equal attention at this point in time.

—Bob Citelli

Koppelman: recognize computer potential

Continued from Page 7

able accounts can I have?

- Will it update automatically to my general ledger?

These questions are largely asked by the small businessman.

People who are familiar with word processing systems such as Wang and Lanier ask pertinent questions such as, can I insert new material or change old material? Is it easy to correct typographical errors? What about moving words, sentences or entire paragraphs?

As you can see from this, an inexperienced store clerk cannot answer these questions easily. A computer-knowledgeable person who understands these various applications is necessary.

Asks Questions

Once the consumer is satisfied with the answers given to him regarding a specific application, he then tends to ask more hardware related questions for comparison purposes. Is this enough memory? Do I have enough storage capacity for what I want to do? Are single sided disks or double sided disks good or bad?

From this, it is apparent that the general public has become very aware of the impact of personal computers. They understand their various uses and have even become familiar with computer terminology.

How successful is this approach? We conducted a test market with

Montgomery Ward for a one-year period. The results showed our department outselling the store average per square foot by a five to one ratio. And don't forget, Ward's sell other expensive hardware items. This success has carried over into our current operations as well.

The people who come to the store consist of two types: the passerby and the person brought in through radio and/or newspaper advertis-

"Easy to use hardware and functional software is the key."

—Bill Koppelman, Ohio Scientific

ing looking for a computer for specific applications. The general reaction from people who are not aware of the computer store usually comment, "I didn't know I could get a computer at Ward's", or "What kind of computers are these?"

The latter sample question is important from the standpoint that certain consumers are confused whether these are calculators or video games. We emphatically let it be known that although we sell an extensive amount of game software, we are a real computer performing specific functions for the home and business. In other words, we try to sell computing, not computers.

The percentage of traffic interested in computers consists of 75 percent wanting a personal computer for education purposes, entertainment and primarily accounting functions. The remaining 25 percent are interested in a personal computer for use in their office to help make them more productive in their job.

Surprisingly enough, based on results we saw in our test market, for every one consumer interested in

a personal computer, four people were interested in business systems. Because of our broad product line which includes business microcomputers, these people can be referred to the supporting dealer's store for further information and demos.

Other important merchandising functions to reach the mass consumer include having an easy way for the consumer to pay for his system, literature for the consumer to evaluate the product in the comfort of his home or office, step by step user documentation and service.

Concerning payment, it is wise to have an easy payment plan. It has been our experience that many people pay for the system by cash,

check or some charge card (i.e., Master Charge, VISA, etc.). Also, Ward's stores allow people to purchase a system through their credit card. The only problem here is credit limits sometimes have to be extended. Another alternative would include offering a leasing arrangement with a 48-hour approval system. This would encourage purchases of systems by people who don't have the cash available.

Literature which explains the system, its functions, and how it operates is very important, as are brochures regarding software and the type of reports they produce. People considering the purchase of a personal computer tend to want to evaluate a piece of hardware and/or software in comfortable surroundings and then make a decision. Also, they can compare the product with other competitors. A price list is important for obvious reasons.

Documentation is extremely vital. Although some retailers have service centers, others don't. In our particular case, if a person brings back a system, the person at the store will attempt to fix it. If it is a serious problem, it can be sent to the dealer's computer store for repairs. The consumer likes the fact that competent people are nearby who can repair the system.

A great deal of success for retailing computers to the mass market consists of the ingredients mentioned above. With consumers becoming educated about computers and applications, the development of easy to use hardware and functional software will be the key to stimulating computer sales.

Sound Unlimited to open new facility

CHICAGO—Sound Unlimited, one of the nation's largest one-stop marketing and distribution centers for the audio, video and music dealer, is moving its headquarters from Skokie, Ill., to an elegant new 60,000-square-foot facility in Niles, Ill., about a mile away.

Marketing director Mike Frommer says that the new headquarters will be a showcase for the industry, with waterfalls, sunken conference rooms, and a large new warehouse to help speed deliveries to retailers in the Chicago area.

Frommer adds that Sound Un-

limited's video division, called Video Unlimited, recently set up a new branch in Los Angeles. In addition, the company has yet another wing, Mile Hi One Stop, in Denver.

Noel Gimbel, founder and president of Sound Unlimited, calls his

firm "a marketing, rep and distribution company in a one-stop approach—a single place to stop for all retail needs."

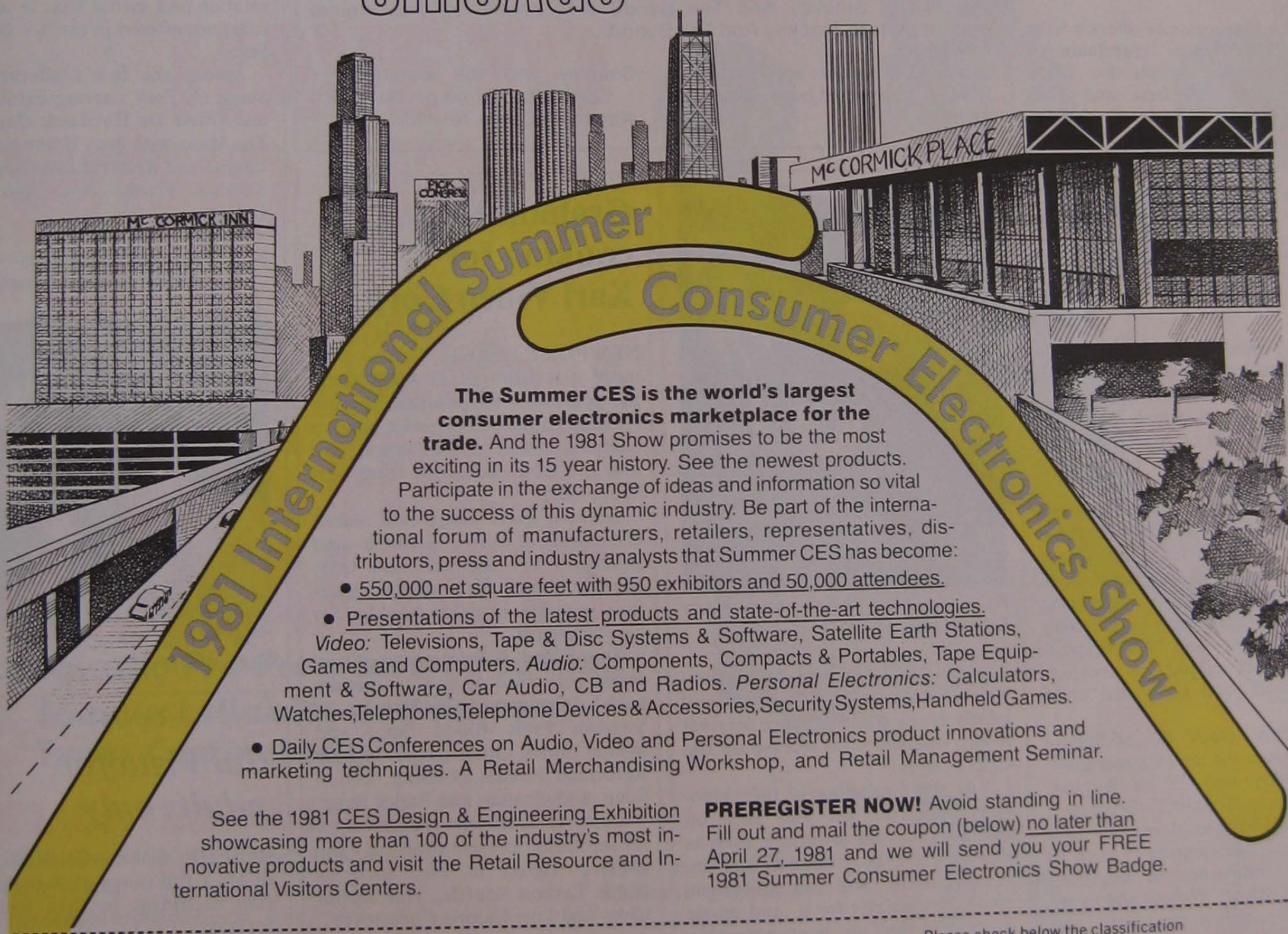
The company provides advertising, promotion, merchandising and even personal counseling services

Continued on Page 13

THE 1981 INTERNATIONAL SUMMER CONSUMER ELECTRONICS SHOW

CHICAGO

SUN. MAY 31 - WED. JUNE 3



The Summer CES is the world's largest consumer electronics marketplace for the trade. And the 1981 Show promises to be the most exciting in its 15 year history. See the newest products. Participate in the exchange of ideas and information so vital to the success of this dynamic industry. Be part of the international forum of manufacturers, retailers, representatives, distributors, press and industry analysts that Summer CES has become:

- 550,000 net square feet with 950 exhibitors and 50,000 attendees.
- Presentations of the latest products and state-of-the-art technologies. *Video:* Televisions, Tape & Disc Systems & Software, Satellite Earth Stations, Games and Computers. *Audio:* Components, Compacts & Portables, Tape Equipment & Software, Car Audio, CB and Radios. *Personal Electronics:* Calculators, Watches, Telephones, Telephone Devices & Accessories, Security Systems, Handheld Games.
- Daily CES Conferences on Audio, Video and Personal Electronics product innovations and marketing techniques. A Retail Merchandising Workshop, and Retail Management Seminar.

See the 1981 CES Design & Engineering Exhibition showcasing more than 100 of the industry's most innovative products and visit the Retail Resource and International Visitors Centers.

PREREGISTER NOW! Avoid standing in line. Fill out and mail the coupon (below) no later than April 27, 1981 and we will send you your FREE 1981 Summer Consumer Electronics Show Badge.

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Please check below the classification of your business

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3. ☐ Dept./Chain Store Buyer
4. ☐ Prem./Catalog Buyer
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11. ☐ Adv. Mktg. P.R. Consultant
12. ☐ Other



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MCA Videocassette releases two hit features

NEW YORK—MCA Videocassette announces the release of two recent hit features on videocassette in both Beta and VHS formats.

Smokey And The Bandit II, rated PG, finds Burt Reynolds, Sally Field and Jackie Gleason teamed up in the sequel to the original motion picture of *Smokey And The Bandit*. An all-star cast is caught up in a raucous political race resulting in the return of the wild ways of the Bandit.

Xanadu, also rated PG, is a look at the future and a loving remembrance of the way things were in the heyday of Hollywood. Olivia Newton-John and Gene Kelly star in this dazzling musical fantasy.

MCA Videocassette offers a wide range of video entertainment through retail outlets for home viewing in both Beta and VHS formats. With the release of these



Burt Reynolds and Sally Fields star in one of two new offerings from MCA, *Smokey And The Bandit II*, a sequel to the original motion picture *Smokey And The Bandit*.

two new titles, there are 37 releases in MCA's library of home entertainment.

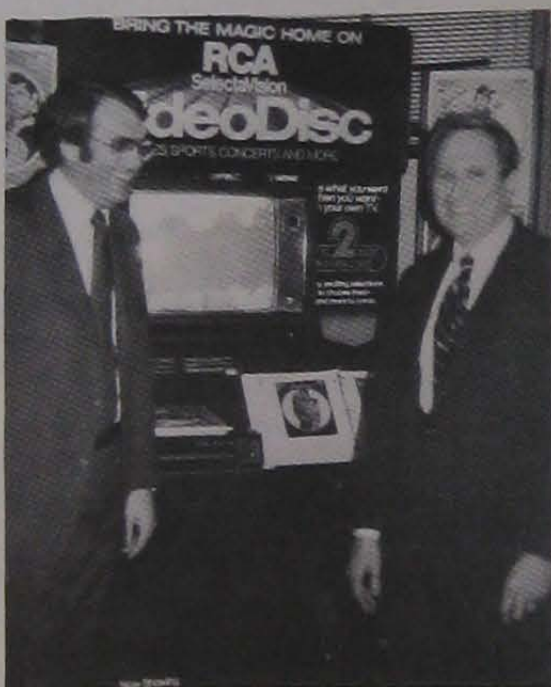
Smokey and the Bandit II—Circle No. 187 on product card
Xanadu—Circle No. 188

RCA SelectaVision disc catalog has 100 titles

NEW YORK—RCA SelectaVision VideoDiscs has released an opening catalog of 100 titles for use with its CED disc system, which has introduced nationally on March 22 after weeks of pre-market buildup by RCA.

The RCA catalog includes recent hit movies as well as classics; music discs; some of television's finest hours; children's programs from Walt Disney and other producers; ballet; Shakespeare; award-winning documentaries; and instructional discs on such subjects as cooking, tennis, golf, and baby and child care.

The firm plans 50 additional releases over the next six months—25 in May and 25 in August. According to Herbert S. Schlosser, executive vice president, the firm has tapped the resources of some 70 program companies in acquiring videodisc titles. "We will add to our catalog regularly in the months and years to come, and we are continuing our efforts both here and abroad to acquire new titles to create an ever-expanding library," Schlosser says.



RCA's Bruce Allan and Herb Schlosser (r)

In addition, RCA SelectaVision VideoDiscs and RCA Records will jointly develop and produce original music videodiscs for release on the CED system.

"At the beginning of the videodisc business, we will rely on existing program materials, such as movies; but as the medium develops there will be programs created especially for it, and music discs will be an ever-increasing proportion of what is released on videodiscs," said Schlosser.

SelectaVision Disc Catalog—Circle No. 227 on product card

Graham Kerr cooking for Karl Video Corp.

NEWPORT BEACH, Calif.—Two more new titles of Graham Kerr, the gourmet who galloped in from Australia and has been whipping up culinary delights for years, are now available exclusively from Karl Video Corp.

Graham Kerr: Soups and Salads and *Graham Kerr: Desserts and Beverages* are the two new titles for the home video market. Each tape includes a recipe booklet for easy reference.

Soups and Salads is a well-seasoned collection of how to prepare such delectable concoctions as Swedish Fruit Blood Soup and Winter Salad. Other recipes include Reformed French Dressing, Onion Soup, and Chicken and Barley Soup.

Desserts and Beverages is a scrumptious presentation of the sweetest things in life, such as Apple Lemon Souffle, Hot Sippin Cider and Low Calorie Cheesecake.

Soups and Salads—Circle No. 223 on product card
Desserts and Beverages—Circle No. 224

King of Video has full line of video pix

LAS VEGAS—King of Video announces its new KV General line of fine motion pictures on video cassettes.

The KV General cassettes are made from 2-inch masters and provide broadcast quality, says the firm. The line of films comes handsomely packaged in vinyl cases with color photo labels and offers "the most competitive prices in the marketplace."

In addition, King of Video offers a dealer program with volume discounts, co-op advertising, stock rotation and media kits. In all, 200 titles are offered in the KV General line.

Among the firm's offerings are *Santa Fe Trail* starring Errol Flynn and Olivia De Havilland; *One Body Too Many* with Jack Haley and Bela Lugosi and *Redneck*, starring Telly Savalas, Franco Nero and Marc Lestor.

KV General Cassettes—Circle No. 181 on product card



The King is available from King of Video.

Cal Vista for adults only

RESEDA, Calif.—Cal Vista Video offers a full range of X-rated adult film cartridges in Beta and VHS formats.

According to the firm, "our videocassettes are made directly from company-owned negatives on the most expensive equipment, which guarantees the finest-quality cassettes modern technology can produce." The cassettes are packaged in a special box which is a replica of a Rolls Royce grill. Silver and black, this box is "one of the most unique videocassette packages of this decade," says the firm.

Among the new titles offered by Cal Vista are *Pink Champagne*, *Aunt Peg*, *Tramp* and *Practice Makes Perfect*.

X-rated films—Circle No. 222 on product card

Home Theatre markets income tax program

HOLLYWOOD—Home Theatre is now marketing a one-hour videocassette entitled *How To Do Your Own Income Tax Return*.

The release of the cassette, timed to coincide with the tax season, will enable users to proceed step-by-step through Income Tax Form

1040.

Hosted by Sidney Kess, president of the Comprehensive CPA School of New York, the program also explains possible ways to qualify for additional exemptions and shows how to shift dividends and investments for tax advantages. Each

itemized deduction is explained and valuable tax tips are included.

The cassettes are available in both the VHS and Beta formats, carrying a suggested list price of \$50.

Income Tax—Circle No. 300 on product card

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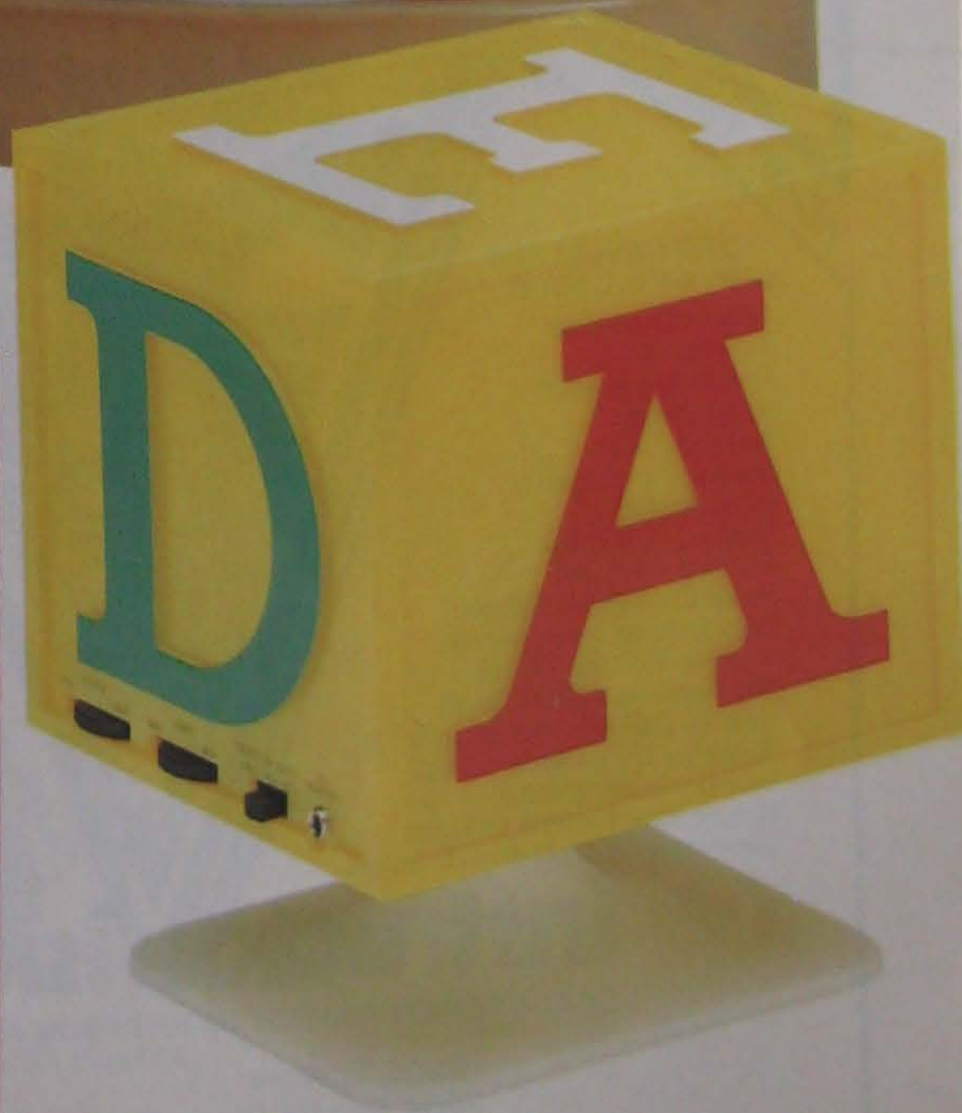
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- ✧ 10 Little Indians
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- ✧ The Farmer In The Dell
- ✧ 3 Blind Mice, See How They Run
- ✧ Old MacDonald Had a Farm
- ✧ This Old Man
- ✧ All-A-Round The Mulberry Bush
- ✧ Frere Jacques (Brother John)

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Circle No. 20 on product card.

Dealers find profits in rental programs

Cover Story

Continued from Page 1
in Highland Park, Ill., shows just how fast customers are responding to a new rental program. The store began its Rentertainment last November, when 700 titles were offered. In December, rentals hit the 1,100 mark, and the figure was up to 1,400 in January. "The return in dollars and cents is greater in rentals than on sales," says Gene Kahn, owner of the store, which has been very successful in VCR tape sales.

Officially Sanctioned

Producers generally are taking a dim view of the rental programs and are taking varied actions in attempts to control or limit rentals. Walt Disney and Paramount both have officially sanctioned rental programs and Columbia is re-evaluating a plan it announced and withdrew. Magnetic Video has been discussing rentals with its dealers but stopped doing business with Fotomat when the chain was renting MV tapes without authorization. Under the Disney plan, there are separate contracts and separate lists of films for sales and rental, and the Paramount program calls for a surcharge on all films without restrictions on dealer rentals.

Will Continue

"Rentals will continue in one form or another because many people can't afford to buy the movie cassettes," says Mrs. Jan Sarno, co-owner of Village Video in Mt. Prospect, Ill. "The term used might change to 'preview of pur-

chase,' or 'return of purchase,' or there might be an exchange program, but whatever the name, it would amount to a rental system. That will continue as long as the prices of the pre-recorded tapes remain high."

Membership Program

Mrs. Sarno adds that "our entire business is based upon renting. Sales are extremely small, maybe one per cent of our business. People get tired of the same movie, and our store is convenient for picking up and dropping off cassettes because it's near a train station and several popular food outlets." Video Village has a membership program for four, six, and 12 month periods. Members can rent films for \$3 a day compared to \$6 a day for non-members.

'Rentals For Profit'

"The small, independent store can't make enough on video hardware and tape, and that leaves rentals for profit," comments Shelley Irgang, vice president of Video Headquarters, Chicago, a distributor of rental movies to around 1,000 outlets nationwide. "Rentals can be the difference between making a good living and starving. A store can rent a movie three times at \$5 a day and make the same profit as on the sale of one cassette," he says.

An average movie will rent about 150 times in three months, he reports, classifying about 100 titles as "good," about 300 as going out three times a week, and the rest as renting periodically. Irgang views rentals as "the same as a library system on books and as a service that builds store traffic for dealers and offers convenient, affordable

entertainment to consumers."

Business Plus

At Michael's Pharmacy, which has three neighborhood stores in Chicago, the Video Headquarters program serves as "a plus for business and an extra service for customers." Each store rents about 30 movies a week at \$5 a day, at least 80 percent in the VHS format.



Disney rentals—Circle No. 271 on product card

The three stores rotate a group of 120 VCR tapes, then trade them in for a new group of titles. Promotion is on a posterboard showing a picture with each title, a system the store has found more effective than a catalog.

Complained To Vendors

Kahn says Columbia Videosystems decided to rent videocassettes after complaining to vendors about their lack of enforcement of no-rental policies. "We don't question our right to rent," Kahn explains. "We cancelled all open contracts with vendors after we were told they couldn't control rentals if films were purchased through distributors, although we do have rental/sale contracts with Disney."

"In each of the three months since our rental program started, we bought more products than in any of the three prior months. If the producers feel that is detrimental to their business, then I suggest they take their heads from the sand."

Columbia Videosystems has a membership plan allowing members to rent videocassettes for \$6 a day, charge rentals, reserve titles, and rent up to five videocassettes at a time without a deposit.

Rentals are considered an accommodation to customers at 54th Street Camera and Electronics, New York City, which recently began a rental program. "A customer spends \$2,000 or more on video equipment and wants to rent some tapes," says the store manager, "and we accommodate our customers. We don't push renting, but it's profitable."

Video Station, Inc., a group of 225

independently owned but affiliated specialty stores, started in Los Angeles three years ago as a small videocassette rental operation and has grown to a \$10 million wholesale business for the founder. Software rental is the main emphasis of the affiliated stores although many of them sell hardware, and the Video Station is continuing to open more than a dozen turnkey outlets a month.

15 To 1 Ratio

The original Video Station reports a 15-to-1 ratio of rentals over sales with an average of 2½ movies rented at a time.

Many camera stores which also handle video equipment also look at rentals as "the only way to make a profit" on pre-recorded tapes. "People just don't want to pay \$50 to \$70 for an older movie. They would much rather spend their money on renting several films at a cost of \$5 to \$9 a day instead of looking at the same film over and over."

Some Hold Back

Not all retailers are starting rental programs. Some have held back because of record keeping problems or disinclination to handle porno titles. Video Shack, a New York City shop specializing in videocassette sales, says rentals are a small part of its business, outnumbered by sales by 20 or 30 to 1. The mass merchandisers have not yet entered the rental business on video software.

Rental Trend

The trend toward rentals is accelerating and will broaden to include videodiscs when they are widely available in quantity. Kahn says Rentertainment will handle the CED format discs as soon as possible, and Video Village plans to add discs to its rental program "as soon as they become popular and enough people have players."

Eliminates Piracy

One television executive, Robert Whitehouse, general manager of TV/VTR for Sharp Electronics, advocates rental of both hardware and software for videotapes and discs as ways of eliminating the piracy problem and of allaying consumer concerns about obsolescence of equipment.

"My feeling is that we haven't yet found the appropriate distribution method for servicing this market," Whitehouse says, "and the rental notion is only one step away from charging an admission price at a theater. It can be monitored and regulated in a way akin to the neighborhood movie house."

As the program rentals gain momentum among retailers and popularity with consumers, the outlook is for more controversy and new programs from producers in efforts to meet the changing market demands.

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Circle No. 7 on product card

Sound Unlimited opening new warehouse

Continued from Page 9

to its thousands of clients across the nation. It has its own advertising agency (including an in-house art staff), a promotion department, and sales and merchandising divisions. It offers both a rack jobbing service and a retailing division, Sound Warehouse. Its Video Unlimited wing is the nation's largest independent supplier of prerecorded video.

Guides Retailers

Together, says Gimbel, Sound Unlimited can guide the retailer in all key facets of survival in the marketplace—from store layouts to inventory, from merchandising to promotion planning, from bookkeeping to business advice. In addition, the firm can fill all of his audio and video software needs.

The firm's fully computerized order-and-supply system ensures that each client's orders will be speedily filled and won't get lost in a paperwork shuffle, Frommer adds.

While there are many one-stop services for retailers, says Frommer, "We are different because we think of our clients as a family. We have experts who can advise them

on setting up a business and on what kind of supplies they'll need. We can help new stores get off on the right foot without floundering. I

what they're doing. We can keep that from happening."

Sound Unlimited can fill stores' audio and video software orders

"We can help new stores get off on the right foot without floundering."

—Mike Frommer, Sound Unlimited

see many new video stores going down the tubes over the next few months because they don't know

practically at a moment's notice, says Frommer. The company is not a hardware supplier but can provide

audio and video equipment for in-store use in training and promotion, he says.

Noel Gimbel sums up the company's operation this way: "We have the people to help retailers in every facet from bookkeeping to inventory control; sometimes we even have to be personal advisors. We can set up a potential retailer from scratch as well as help the established but struggling dealer. My philosophy has always been to make the retailer a little better than he thinks he can be. If we can do this, he will succeed—and so, in turn, will we."

Pele to tour

SUNNYVALE, Calif.—Pele, one of the greatest soccer players of all time, will tour five European countries for Atari beginning April 26.

Pele will help launch Atari's new Pele Championship Soccer Videogame cartridge as well as speak on behalf of Atari's Consumer Electronics Division. Pele recently completed a television commercial for Atari which is currently running in the U.S.

Pele's itinerary includes travel to Madrid, London, Hamburg, Brussels and Paris. His activities will include press conferences, personal appearances at major soccer matches, visits to children's hospitals and private dinners for Atari executives, distributors, and customers. In Spain, Pele will shoot an Atari commercial specifically for the Spanish market.

Sponsors search for inventions

FORT WORTH, Tex.—A nationwide search for ideas and inventions through which personal computing may be used to aid the handicapped is now underway.

Sponsored by grants from the Radio Shack division of Tandy Corporation and The National Science Foundation, the competition will be conducted by Johns Hopkins University. Entrants are eligible for awards including a \$10,000 grand prize given by Radio Shack, TRS-80 and other computer systems, and other cash prizes. Over 2,300 participants submitted applications by March 1.

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Circle No. 8 on product card

LEISURE TIME ELECTRONICS, Spring 1981 13

One-brand systems corner industry's attention

Cover Story

Continued from Page 1
with speakers and wooden racks. And many audio retailers who once turned up their noses at one-brand systems are now beginning to applaud the trend toward pre-packaged hi-fi.

"I think this may be the best thing the industry has ever done for itself," declared Gary Thorne, executive vice president of the big Team Electronics hi-fi chain in the Midwest. "Research has shown that only 12 percent of the households in America own hi-fi components for which they paid \$600 or more. That means that 88% of American households *don't* own audio components. When you ask them why, they tell you either that the products are too complicated or that the customer is left to trust the salesperson—which," he added laughingly, "is a minor problem."

Most people who walk into a hi-fi store today, Thorne continued, want good sound but "don't know anything about the strange language we use—and don't want to know. The most important factor in their buying decision is usually cosmetics. We do frequently think in terms of technicalities, but it's cosmetics that sell the world."

Was Confusing

In years past, Thorne recalled, when a customer walked into a hi-fi store he "saw a lot of components that might or might not look attractive, and couldn't visualize how everything would fit into his home. On top of that, there were all kinds of different brands, and that was even more confusing. Then we offered him a discount, and everything was cheaper than he had thought, and this simply confused him even more. So he said, 'The heck with you guys; this is too confusing.'"

Today, said Thorne, the many systems on the market make it much easier to set up a homelike environment in a store. He suggested that dealers set their one-brand systems up near a wall and add homelike touches such as plants to their displays. "Any kind of homelike flavor you can add will



B & O's Beocenter 7000 (above)—Circle No. 233 on product card
Sansui system (right)—Circle No. 234

be helpful," he said.

Jack Trux, president of Bang & Olufsen of America, agreed with Thorne's suggestion. The audio store of today, Trux observed, is "the antithesis of the typical 1970s-looking hi-fi store. Today's audio specialty retailer has to compete with other very sophisticated retailers, so his retail environment has to be superior. A hi-fi store that still looks like an old-fashioned junkpile is not going to attract women, who are an important part of today's market."

Trux concurred with Thorne that systems should be displayed in comfortable surroundings that



fixtures, and a lot of wood—a lot of very natural elements. We pay a lot of attention to shape and color."

Bang & Olufsen has long pointed with pride to the good looks of its hi-fi components, and recently introduced an unusual new audio system: the Beocenter 7000, which has a horizontal configuration and features micro-computerized remote control.

B&O hardly ever mentions the performance specifications of its products in its advertising and promotion, however, and Trux was asked why.

"The whole damn industry talks specs," he replied, "but the

possible. Now we have an older customer who is interested in more than specifications."

Trux compared today's hi-fi market with the car market. "The Mercedes and the BMW are hot-selling cars today," he pointed out. "Do they have better specifications than a Cadillac? I don't know. Nobody knows. It's irrelevant. It's a different ball game today. The customer is showing us that in 100 different ways."

Rich Deutsche, advertising vice president for Tech HiFi, also feels that the audio market has changed in recent years. "We've been selling systems for as long as we've been in business," said Deutsche. But Tech's traditional approach, he pointed out, has been to assemble its own systems, mixing and matching components of various brands.

Qualify The Customer

Today, said Deutsche, Tech HiFi sells both multi-brand systems and one-brand ensembles. "We really qualify the customer," he said. "If someone feels more confident buying a system from a major manufacturer, we will sell the customer that kind of system. If there is another system that is a better value at the same price, we'll recommend that system. We'll take them into our sound room and play both setups for them and let them make up their own mind."

Deutsche said he feels that the increasing popularity of single-brand systems is a good thing because "it simplifies the buying process." One-brand systems, he said, are "bringing in that person who may have been intimidated before, and now feels that it's a little easier."

At the Stereo Warehouse chain in New York, "We have a different philosophy about prepackaged systems," explained one top Stereo Warehouse executive. "We consider ourselves audio specialists, and we feel we are capable of choosing systems that are compatible. Yes, there is a great business out there in prepackaged systems; it's a tremendous mass-marketing item, and we do sell prepackaged systems in our stores. But we are basically audio spe-

Continued on Page 17

"Systems are bringing in the person who may have been intimidated before."—Rick Deutsche, Tech HiFi

"look something like a home, because that's the way these products are going to be used. The retail environment has to look something like that rather than like a hardware store. We use a lot of Danish furniture, Danish lighting

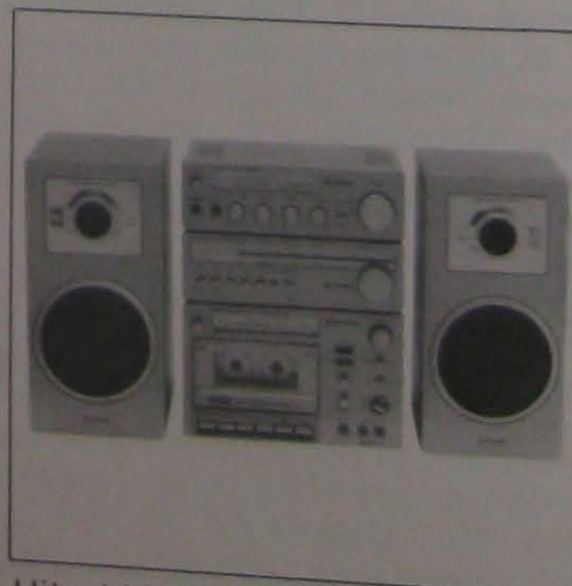
customer is going to assume today that any hi-fi product on the market is going to have good specifications. The question then becomes, 'What happens after that?' In the 1970s, the customer wanted to buy the best specifications at the lowest price



Pioneer Syscom—Circle No. 232 on product card



Fisher System 9000—Circle No. 235 on product card



Hitachi Model MI—Circle No. 236 on product card



MGA System E-520VF—Circle No. 237 on product card

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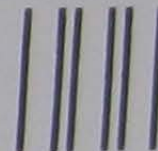
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Department stores see one-brand trend

Continued from Page 14
specialists, and we believe in mixing and matching our own."

Department-store executives agree that the trend toward package systems is great for the mass merchandiser. Warren Zorek, the electronics buyer for Bloomingdale's in New York, said his store has been increasing its sales of systems and is now in direct competition with audio specialty stores. Bloomingdale's, said Zorek, tries to display its systems "in as homelike an atmosphere as possible."

Zorek explained, "We use whatever our decorator people feel is suitable for the space and surroundings they have to work with. We may put components on a shelf with books and ornaments, or on a table with a lamp, an armchair, a pipe and an ashtray, and so on, for as much of a homelike atmosphere as possible."

Zorek also said he feels that hi-fi manufacturers have been improving the quality of their packaged systems over the past couple of years and "have been coming out with cabinetry that we feel is correct. Styling is the most important thing," Zorek emphasized, "and that's what we are looking for more than anything else. Cosmetics and cabinetry have definitely improved."



Toshiba Remote Control System—Circle No. 229

Jerry Sherman, the electronics merchandising manager at Sherman's discount department store in Boston, said that his store sells both systems and separate components but has been increasing the number of systems on the floor. "I feel that it's a lot easier for people to sell them because there's no mixing and matching," Sherman explained. "Selling components separately takes too much time."

Sherman said he has noticed that more and more hi-fi manufacturers are promoting one-brand systems, and he added: "I think you'll see a lot more manufacturers going that route. Even mid-fi manufacturers will be going for that component systems look. They've been doing it for a long time already but they'll do it even more so now."

Phil Welch, director of marketing for Pioneer's Syscom systems division, feels that his company's approach to systems marketing has had a lot to do with the growing popularity of single-brand hi-fi

ensembles. "In presenting Syscom," he said, "We decided on a rather extravagant plan: to establish distribution before becoming highly visible. We needed to be in strong distribution before our competition made their moves into systems so we didn't have to go out and beat our heads to get into the business; by then we were already there."



Kenwood Series 81—Circle No. 230 on product card

Welch said he does not believe that the trend toward systems is going to wipe out the market for separate components. "The specialty stores are going to be around, and components are going to be around," he said, "but I think that the future growth of the industry is going to come in the form of the one-brand systems. I think that systems sales will eventually amount to more than two thirds of the sales in the total industry."

Broadening Base

Systems, Welch continued, are not ruining the image of the audio specialty dealer but are "broadening his consumer base, bringing in people who don't understand the language of specifications, a foreign language they don't want to be bothered with. Pioneer is still No. 1 in components, and we're not going to get out of that. But we think that by removing that intimidation, we can make people aware of hi-fi and can provide them with an opportunity to enjoy really good hi-fi equipment. We're simply broadening the market to a very large degree."

Harry Elias, vice president at US JVC, agreed: "Many dealers are saying to me that they spent a lot of money and time becoming an audio specialist. My message to those dealers is that they should not continue their present way of doing business but should stock complete systems on top of what they have. The type of customer who buys a one-brand system is not a hi-fi buff but may be a first-time buyer, an older buyer, a blue-collar worker, or a woman buyer. This kind of customer feels much more comfortable buying a system."

Elias pointed out that JVC has been promoting its systems heavily with national print advertising, posters, and dealer training seminars. "We tell dealers to keep that audio specialty image," he emphasized, "but to run these ads and stock this merchandise to attract the first-time buyer, the blue-collar

worker, the female buyer. Don't lose what you have, but don't give up all of that other market out there, too."

Don Palmquist, vice president-marketing at Kenwood, feels that the audio specialist dealer will tend to stick with separate components for the most part in the years ahead, while mass-merchandisers will pri-

done considerable promotion of its Super Compo systems over the past few months. Tom Yoda, vice president of marketing and sales at Sansui, says:

"The new Super Compos are designed to be aesthetically appealing to both women and men. The systems are likely to be highlighted in the home because they are attractive and therefore will not be hidden from sight as many component systems are."

Yamaha, still another well-known manufacturer of separate components, recently began offering its dealers complete systems at various price points. Jay Eagle, national sales manager for Yamaha, explained: "We recognize the fact that the needs of the stereo market are different today than they were one year ago."

"The systems approach to merchandising makes it easier for dealers to sell because it makes it easier for consumers to buy," he says.

Sony offers its retailers both separates and systems. Osamu Naka, marketing manager of Sony hi-fi products, says single-brand systems, "have a bright future. Perhaps half of the sales in the industry will someday be systems, and systems will be a great help to the increased growth of the hifi industry." ■

marily handle single-brand systems. Palmquist predicts that in a couple of years, half of all systems sold will be one-brand ensembles.

To provide product for all types of dealers, Kenwood recently split its line into two categories: its Audio Purist series for the high-end dealer, and its new Series 81 systems for retailers whose customers are less familiar with hi-fi.

"There's still the hobbyist market, the audiophile market, and that's always going to be there," Palmquist said. "but one-brand systems also have great appeal. Our retailers are finding a ready market for systems: the older buyer, the more affluent buyer, who wants good music and a name brand but is not an audiophile."

Sansui is not about to get out of the separate market, either, but has



JVC Model G33—Circle No. 231 on product card

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Circle No. 9 on product card

v i d e o

RCA enters large-screen television field for first time

INDIANAPOLIS—RCA introduces a new large-screen television and offers a "convertible" videocassette recorder for the first time.

According to the firm, the 50-inch color projection television is RCA's largest receiver and retails for \$3,199.95.

In RCA's home VCR line, a new "convertible" model that serves as both an in-home player and portable has been introduced. The VFP170 weighs only 11 pounds, including battery, and is the lightest portable home recorder currently available, says RCA.

Optionally retail priced at \$1,400, the compact VFP170 includes a 14-day programming capability,

electronic tuning, and such special effects as stop action, double speed, variable slow motion, frame advance, and full-function remote control.

RCA also offers a deluxe color camera, the CC010, featuring for the first time an f1.8-8x1 two-speed power zoom lens. It has a suggested retail of \$1,050 and includes an electronic viewfinder, fade in/fade out capability, power saver switch, boom microphone, and automatic manual iris control.

Projection TV—Circle No. 191 on product card
VFP170—Circle No. 192
CC010—Circle No. 193



RCA's 50-inch Projection TV model PFR100R includes infrared remote control. It represents RCA first effort in projection TV. The PFR 100R retails for \$3,199.95.

Akai color video camera has auto-focus

COMPTON, Calif.—Akai's new VC-X1 color video camera offers a radical departure from conventional video design and engineering.

Topping the list of features is an auto-focus system, which, during shooting, continually adjusts the focus of the camera relative to the main subject matter. The camera also employs a two-speed power telephoto lens with six-to-one zoom including macro capability for close-up videotaping. A 1.4 lens position allows shooting even in low-light conditions and an automatic iris insures fool-proof exposures, says the company.

The camera's Vidicon tube provides a near-professional 270-lines of resolution to assure sharp, clear video images. The camera also allows for sequences with an automatic fade-in/fade-out switch. Other features include automatic white balancing to give correct contrast for both indoor and outdoor shooting, an electric viewfinder for immediate review of what has been shot, and a telescopic boom microphone for natural sound.

VC-X1 Camera—Circle No. 152 on product card



Akai's VC-X1 has auto-focus.

c o m p u t e r



Atari's Video Computer System now features remote control, eliminating messy wires.

Atari revitalizes Video Computer System with remote control

SUNNYVALE, Calif.—Atari offers a revitalized version of its Video Computer System featuring remote control.

The Remote Control Video Computer System combines sleek, futuristic styling and advanced technology. It makes video games more enjoyable, convenient and easier to use, reports the firm.

Two quick action remote controllers allow players to move around the room freely without clumsy controller wires interfering with game action. Now players can select, play and reset games on this new system without ever having to get up. Fingertip touch controls with LED signals are built into the handheld remote controllers for game select and game reset options. Reportedly, the combination joystick

and paddle controllers respond quickly and easily to the player's touch.

The game console is attractively designed to complement any decor and features a fingertip touch, LED-lighted control panel. A hinged dust cover on the console provides storage for the remote controllers when not in use, with additional storage under the console for TV cable and power supply.

The Remote Control Video Computer System can also be used with standard joystick, paddle keyboard and driving controllers. All Atari Game Program cartridges can be played on the new system.

Remote Control Video Computer System—Circle No. 166 on product card

APF offers new 27K business system

NEW YORK—APF Electronics offers a complete small business computer system featuring 27K Ram with 14K ROM.

The Imagination Machine II has been designed to function with programs in the floppy disk or cassette format and has a suggested retail price of \$1,199.

The IM II consists of the basic unit with the following specifications: 53-key typewriter-style keyboard, 32 characters by 16-line screen format, alphanumerics in three color modes, up to eight colors, built-in sound synthesizer, built-in six-function dual-track cassette deck with audio, programmable in Basic or MC 6800 machine language, and object-oriented and point-by-point high-resolution graphics. It will accept level II Basic for word processing capability.

Also included with the IM II are all the necessary cables, power supplies, and technical and operational manuals.

IM II—Circle No. 155 on product Card



APF's Imagination Machine II.

See \$200 billion home electronic market by 1995

CLEVELAND—The home of the future will provide a \$200 billion electronics market in the form of communications, services, audio-visual products, computers and terminals, and security and environmental monitoring devices, contends a recently published study.

The report, titled *The Electronic Home of the Future*, is published by Predicasts, a Cleveland-based business information and market research firm, and is available for \$775. The study asserts, "The average household will spend close

percent of all electronic devices, the report says. While annual growth rates have averaged 8 percent, it is expected that they will fall to 2.5 percent "as other electronic devices and entertainment forms become dominant. By 1995, total audio device sales are projected at \$4 billion, representing 15 percent of entertainment electronics and 18 percent of total electronic device sales."

Representing the largest consumer device segment, says the report, is video entertainment.

Reportedly the market for devices using electronic logic as part of their circuitry is currently at \$1.2 billion at manufacturers' cost, with software at \$85 million. By 1995 the market for devices will reach \$5 billion and software \$2.2 billion, says the report. "The total \$7.2 billion market will represent an annual gain of more than 11 percent. Excluding software, computer devices will comprise a 23 percent share of all electronic devices by 1995, up from 14 percent in 1979."

In the consumer home security industry, the Predicasts study notes "moderate gains in recent years." Though there is a great deal of interest among consumers, "dollar volume is currently dominated by electronic systems installed in new or existing homes by professional installation companies. The total market is currently at \$325 million and is expected to increase to \$700 million by 1995."

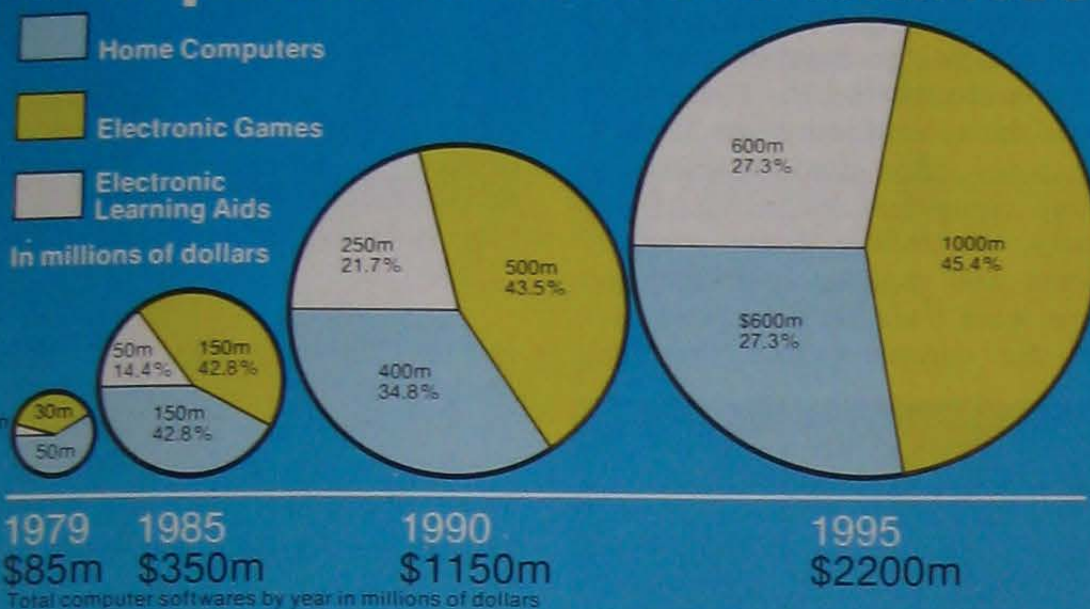
A fivefold increase in consumer

spending is projected by the firm, "yielding an almost \$200 billion market in 1995." Predicasts believes this increase will have "dramatic effects on many present-day services, including entertainment, education and current awareness, security monitoring, information inquiries, purchasing, mail, and telecommunications. Consumer dependence on traditional forms of communications and entertainment media from newspapers to TV will change with growth of newer industries like videodiscs, cable, and Viewdata and Teletext. Opportunities for business will grow with shifts in the way consumers conduct their lives in their electronic home of the future."

National Video Moves

LOS ANGELES—The National Video Group has moved into expanded quarters. The distributor is now located in Suite 3590 at 2029 Century Park East, Los Angeles.

Computer Software Market



to \$2,000 in 1995 in combining the above-mentioned products and services into sophisticated systems used for communications, entertainment, educational, environmental monitoring and shopping. The interface of the telephone, TV set, terminal and accompanying software will provide a truly electronic home."

Spending Increase

Fueling this growth, says the study, are several stimuli, including increasing amounts of leisure time; significant increases in the cost of driving, such as 1978 to 1979 increases of almost 35 percent for gas and oil; needed time away from stress-laden activities; growing capabilities to perform work routines through home devices and communications services; and growth in both the number of real households and personal spending.

The study asserts that manufacturers are assured of continued unit sales growth through 1995 but notes that advances in technology will lead to lower prices. Software suppliers will be less affected by this trend because, it is believed, consumers will want "the latest hits, games or current awareness packages."

Because audio products were the "first truly electronic devices in the home providing entertainment," the report notes that "penetration of radio and phonographs has been at saturation for several decades." Manufacturers' sales of audio devices were listed at \$2.7 billion in 1979, representing 29 percent of all audio-visual electronics and 31

"Almost half of the home electronic devices in 1979 were in this category and despite inroads by other devices within the next decade, more than half of all electronic devices will fall into the video category by 1995." Predicasts notes that manufacturers' sales in this category grew at a 5 percent rate from 1967 to 1979 and predicts an average growth of 6.5 percent per year to 1995.

Accelerated Innovation

According to the study, video entertainment devices now represent 45 percent of total entertainment electronics spending in the home. Despite the projected growth of the computer market in coming years, by 1995 it is believed that video devices will be an \$11.6 billion market at manufacturers' cost, representing 44 percent of all entertainment electronics spending. "It is further expected that video electronics will be an area of accelerated innovation and opportunity for firms of all sizes. Televisions are expected to combine their display capabilities with the direct connection capabilities of telephones and open up a vast market for home users."

With the introduction of computer technology firmly established in the home through various new products in the 1970s, Predicasts predicts that "user apprehension associated with computers may be minimized if it is made clear that similar circuitry is included in calculators, electronic games, electronic learning aids, and telephone devices."

The Home Electronic Entertainment Market

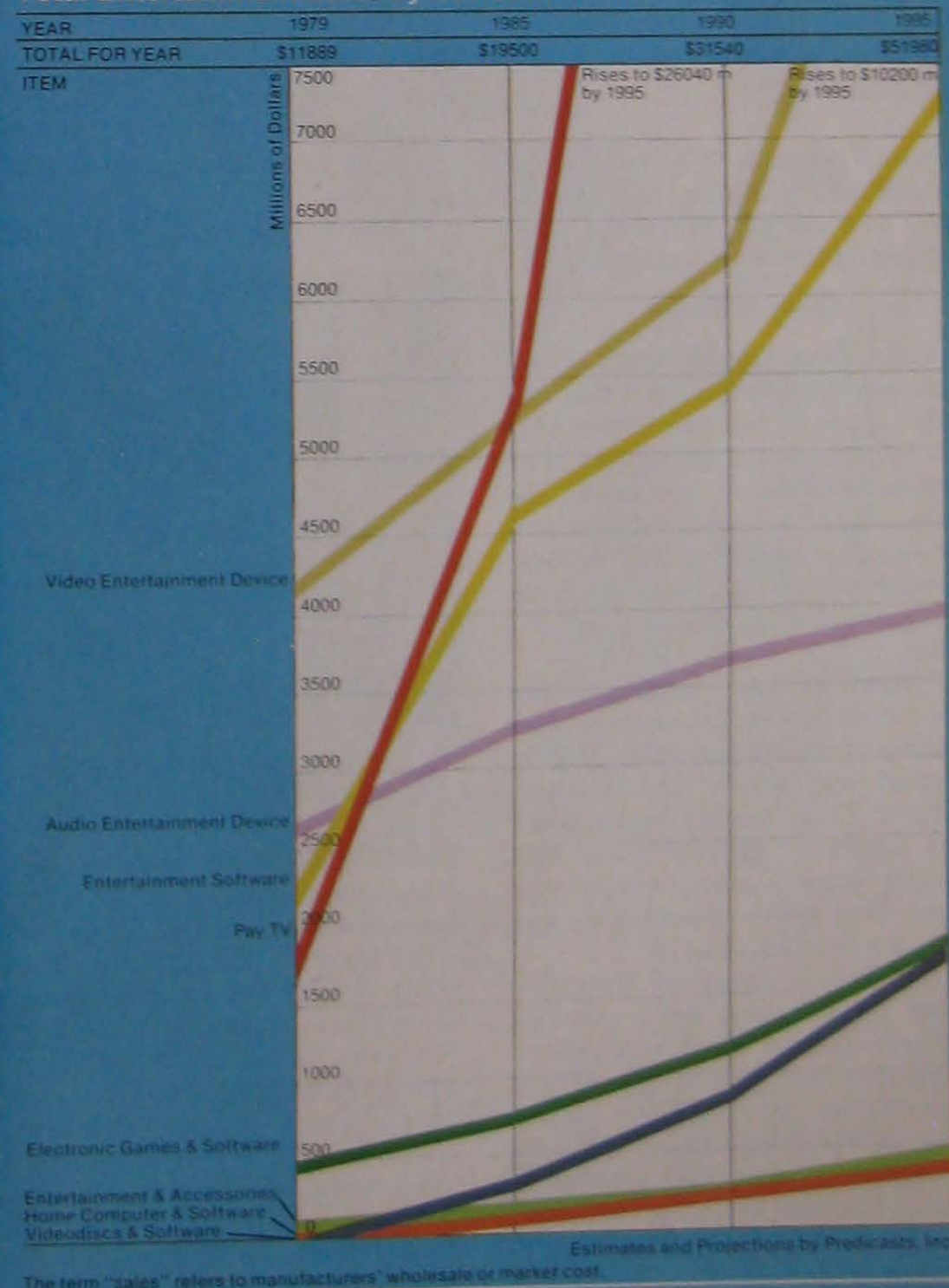
Number of Households



Entertainment Dollars Per Household



Total Entertainment Sales by Device in Millions



Dealers seek quality personal computer software

Cover Story

Continued from Page 1

level in terms of in-store demonstrators, point-of-purchase materials, signage or training for their staffs.

According to Sears, Roebuck & Co.'s computer buyer, Jerry Coll, the market is hampered by a "mix of several things. Price is one of them," he says. "The sophistication of the machines, the power of the power of the machines is another. And probably more than any other factor, it's the software. There isn't any to speak of."

"One of the overall problems with the computer is that there are so many market segments to go after," says Coll. "Many times, if you're selling children's socks, size 3, it's very simple. And if they happen to make them pink, you know your market is for young girls



Mattel's Conversational French—Circle No. 247

between the ages of 5 and 7 years old and they're buying them to keep their feet warm." When the marketplace is limited, it's easier to sell.

Diverse Market

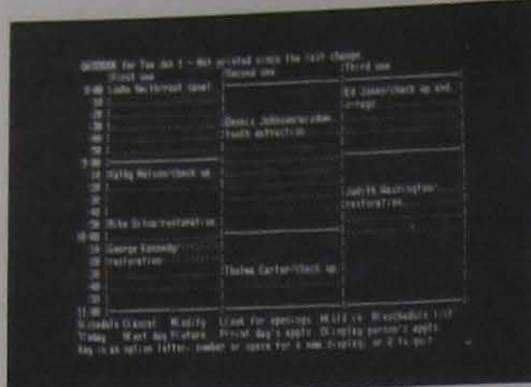
Coll believes the diversity of the total marketplace is so vast that the only quality software currently available comes from houses that specialize in one or two areas. He notes, these houses have workers who are intricately involved in their specialized areas and who also have a command of computer programming.

"Many of the companies that have been successful are those that have gone after a particular vertical market like doctors' and dentists' offices. These houses really don't get involved with anything else except doctors' and dentists' offices. They go about selling it, and they are very successful."

Ray Borell, owner of Data Domain Bloomington, Ind., concurs. "If you look at what applications computers are put to out of the tremendous possibilities, limited only by the imagination, the only things we've ever used computers for are business research, industrial control and, to some extent, in education."

Borell believes computer dealers

are in effect forced to serve the small businessman because the software now available serves him alone. "It's not that we're doing it to make more money, because the liability aspect, the technical support level, the number of people you have to have, the insurance costs and everything else eat up the difference in margins. We're not

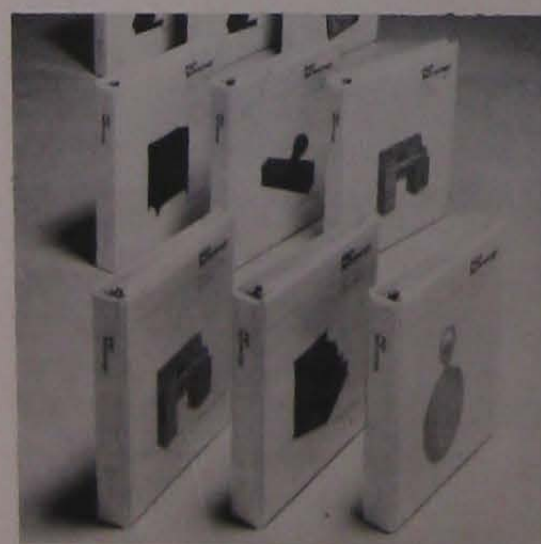


Organic Software's Datebook—Circle No. 248

making any more bottom line off the business systems than we were off the get-it-out-the-door-and-forget-it merchandise."

Data Domain sells software primarily for Apple and TRS 80 machines, though the store does offer programs for other computers, including Atari. Borell notes his prices range from \$9.95 to \$995. He stocks software from 15 to 20 vendors and keeps a minimum level of at least two of each program. The store measures approximately 3,000 square feet, and Borell has divided it into three sections: one for administration, one for counter sales and one for the computers themselves. Software is displayed on pegboards and display racks and given as much space as magazines and books.

Summarizing his major problem,



High Technology's line—Circle No. 249

Borell uses his wife as an example. "My wife would no more sit down to learn BASIC language in order to write herself a program that would trade off the Wednesday grocery-store sales versus a nutritional plan versus dollars than the man in the moon. But if there was a canned program to do it, she might use a computer. The software business is in human engineering, making software that people can use and that relates to things that they might want to do and make effective use out of."

"Some guy wrote about small business systems suppliers last year," recalls Borell. "He said the trouble with small business suppliers is that they don't relate to the business man. As an example, he said the guy who buys a microwave oven does not want to have to get a radio operator's license to use it. I thought that was classic. It ought to be on a billboard."

Confused Public

Says Sears' Coll, "Software publishers have to find out what people want to do with computers and write good software for it. There's an awful lot of confusion out there." He notes often-cited examples of home computers balancing checkbooks, controlling home environments and making sprinkler systems work "are all very good uses for the computer and that will



Automated Simulations' Quaterback—Circle No. 250

happen. Unfortunately, no one has written any software yet that makes those things easier to do on a computer than it is for consumers to continue doing it the way they're currently doing it."

Quality and documentation are two often-mentioned problems with software today. Says Joseph Alfieri, co-owner of the ComputerLand store on West 44th Street in New York City, "Quality is the biggest problem. There are programs that either don't run or don't do what they are advertised to do. The biggest problem, though, is programs that just don't run."

Alfieri says he and his partner James Egan have "tried to make it a policy of replacing the defective software with the customer. That has been difficult for us because we

have had one or two occasions where we have received a complete batch of software that's bad."

This ComputerLand store displays about a dozen vendors' packages with prices ranging from \$10 to \$1100. The packages are offered on shelves that run nearly the entire length of the store as well



Hayden's Gameware—Circle No. 252

as on display racks and glass shelves behind the cash register. Apple, Atari and Commodore are the three systems whose software is most requested, with the Apple generating the most turns.

Packaging Important

Alfieri maintains "You have got to be aware of the manufacturers' reputation. I think you can also gauge the software by the quality of the merchandising. If something comes in a plastic bag and has one page of documentation which may have come off a computer line printer, you can guess that it may not be a good piece of software. Now, that's not always the case. We have had manufacturers come in with very fancy packages and the stuff is just garbage. But I do think packaging is reflective of what's inside."



Atari's Conversational Spanish—Circle No. 253

Alfieri acknowledges that a modest number of software houses have recognized the needs of the dealer and do provide point-of-purchase materials. "Some of it is very good," he says. "It is useful in getting the merchandise out there to be merchandised."

One aggressive retailer in Melbourne, Fla., does not wait for the customer to come to his store to make his pitch. Instead Joe Flores, vice president sales, H.I.S. Computermation, uses "easy listening" radio stations to broadcast his message. Says Flores, "For the results I get, I don't find it expensive. I've tried television but I didn't really get anybody in here. I've tried radio and I get excellent results. My sales really go up."



Microcomputer Games' Acquire—Circle No. 251

People who are interested come in here quite a lot more."

Flores maintains that "as a rule, software houses don't provide enough information" for his sales force and for the end users. He adds, however, "It's getting to the point where more of them are."

The 1600-square-foot store displays software along 30 square feet on pegboards and over the cash register. H.I.S. Computerization stocks more than two dozen vendors' programs in games, education and business. Prices vary, starting at \$7.95 and running up to \$800. Flores says, "I play the game. If a manufacturer is running a special price program, I'll buy direct from him. Otherwise I'll go to a distributor."

Flores says, "One of the things

workers within his store are "expert programmers" who also "get into customized business programming."

'Some Provide Demos'

"Some vendors provide demos at \$100 to \$150 apiece which is refundable with an order. We have been caught with two and we can't get our money back," says Peterson.

The Future World owner contends, "With so many good programs out, it's hard to display software well enough and allow people who really want to see it up and running before they buy it actually view the program. We don't like to break open packages."

Peterson is outspoken in another area of concern to dealers: mail

"If vendors want to sell through the mail they ought to tell the dealers."
—Jack Peterson, Future World

we need are dealer demos of the programs." He notes recent moves by some vendors who have provided such demonstrators. "They are starting to line up and give us some, but still, with a lot of good software, you have to come up with your own demo." Flores and other dealers contend that when this occurs they are forced to break open a pack to run the program before a consumer. If the consumer declines the purchase, the dealer is then stuck with an open pack that must later be sold at a reduced rate.

'Expert Programmers'

"We usually check out a program before the company actually buys it," says Jack Peterson, owner of Future World, Stockton, Calif. Peterson contends he and two other

order sales. Future World refuses to stock Apple's own software because that firm recently launched a sales campaign through the mail. "If vendors want to sell to the public through the mail, they ought to tell the dealers. We're in competition with them. Out of 1,000 Apple dealers, probably 95 percent of us don't carry the software that Apple puts out. We're not going to compete with Apple."

The Future World owner reports, "I told Apple, 'If you want me to be an Apple dealer, you ought to play the ballgame with me. But if you're going to sell software, I'm not going to carry it.'" Peterson hopes other dealers will follow his lead.

"If they start selling to the public, that means we'll lose that 30 to 40 percent markup on software.

Peripherals add on extra dollars to sale of personal computers

By Kathleen Lander

Selling a personal computer is just the beginning of a chain of sales, retailers report, as consumers become acquainted with their computers and return for printers, monitors, disc drives and other peripheral equipment.

While the small computer business grows as an annual rate of 50 to 60 percent, the market for peripheral equipment that expands

the system is growing just as fast. And even as unit prices decline with newfound technologies, unit sales are on the rise.

A growing number of manufacturers have entered the personal computer arena with peripheral items of their own, including Micro-Peripheral Corp., Mercer Island, Wash.; Vamp, Los Angeles; Maxell, Moonachie, N.J.; and Interactive

Continued on Page 23



Vamp color monitor—Circle No. 263 on product card



Maxell floppies—Circle No. 264 on product card

They'll cut our throats on this." He believes "the time is coming soon when dealers will tell manufacturers they won't carry their products any longer if they are sold through the mail." In addition, Future World has stopped selling consumer magazines because many of these books carry full-page ads for mail order houses.

Increasingly, dealers are forced to compete with discount and department stores as well. But Data Domain's Ray Borell is not worried. "If the Montgomery Wards and the

Sears start selling computers heavy and eat into our business, it shouldn't bother us a bit. We will get the aftermarket because the mass merchants won't be able to provide the answers to consumer questions and the consumers will want to get service too. It's getting to be more like a consumer business everyday."

Gold Star Moves

LYNDHURST, N.J.—Gold Star has moved to 1050 Wal Street West, Lyndhurst, N.J. 07071.

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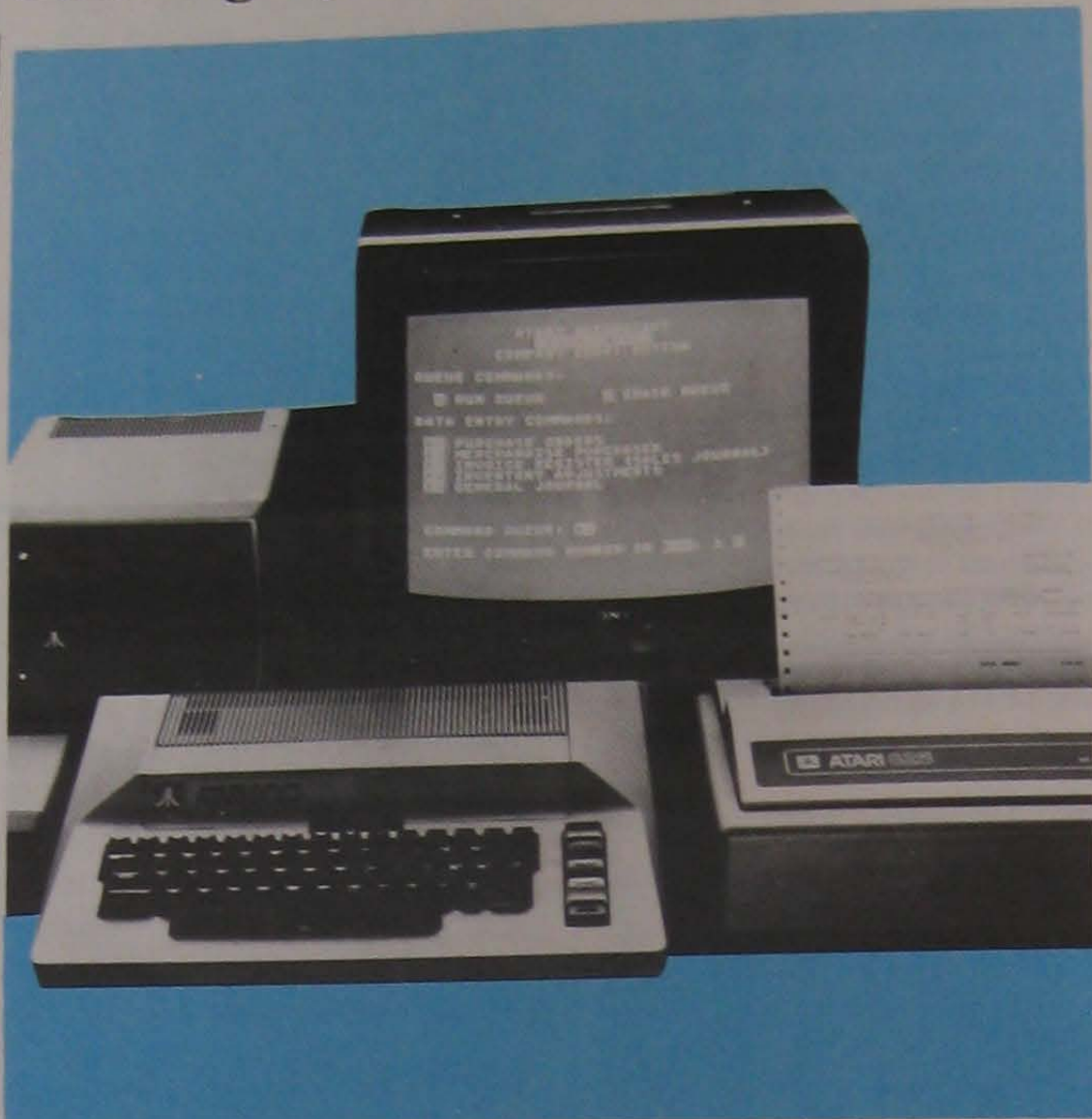
Atari offers accounting system, word processor for 800

SUNNYVALE, Calif.—An easy-to-use, efficient, computerized accounting system and a word processing program designed for individuals and professionals headline Atari's recent software introductions.

These packages are designed to bring sophisticated computer power to people who thought they couldn't afford or handle a computer, reports Atari.

The Sunnyvale-based firm notes the Atari Accountant program has been checked for conformance to generally accepted accounting principles by Arthur Young & Co., one of the nation's largest independent accounting firms.

The program encompasses three packages—General Accounting System, Accounts Receivable System and Inventory Control System. Each system can be used alone or combined to meet the needs of individual businessmen. According to the company, "little or no training in bookkeeping or computers is required to operate the system." In addition, Arthur Young & Co. has prepared an Account Primer exclusively for the Atari Accountant, to ease the transition from the businessman's current manual methods to Atari's com-



Atari's Accountant program has been checked for conformance to generally accepted accounting principles by Arthur Young & Co.

puterized accounting system. The entire system is backed up with a comprehensive operations manual "readily understandable by the computer novice," says Atari.

Atari Word Processor is designed for just about any individual or professional who generates a lot of text, reports or letters. Writers, students, lawyers and secretaries will all find the system useful. It minimizes time-consuming, corrective typing while providing capacity for editing and storing documents and printing of professional-looking, error-free materials.

Both Accountant and Word Processor are designed around the Atari 800 personal computer with 48K RAM and Atari 850 Interface Module. The Accountant relies on the Atari 815 Dual Disk Drive for data storage while Word Processor text storage can be accomplished on either the Atari 810 Disk Drive or Atari 815 Dual Disk Drive. Both systems require the Atari 825 80-column Printer for hard copy printing.

Accountant—Circle No. 164 on product card

Word Processor—Circle No. 165 on product card

Hayden's new programs are unveiled

ROCHELLE PARK, N.J.—Hayden Book Company introduces two new cartridges designed for a broad range of personal computers.

Sargon II is a new chess program able to push passed pawns toward queening. The package plays a strong end game and offers a range in deep-play levels at end game without user discretion. The computer displays the levels of play at which it is thinking, and also shows the move it is currently contemplating. A flashing asterisk shows that the computer is thinking and not hung up.

The game has seven levels of play with levels 0-3 in tournament time. It has a randomized opening book for all seven levels of play through

three moves. The tapes are available on disk or cassette for \$34.95 and \$29.95 respectively.

Reversal is based on a 200-year-old game and is a fun pastime for young and old, says the company. The rules are simple and anyone can learn to play in just a few minutes.

The game is a match of strategy and quick thinking. And the entire outcome of the game can be reversed in a single turn.

The object is to trap your opponent's pieces between two of your pieces. All pieces so trapped are "flipped" to your color. The game ends when all 64 squares on the grid are filled.

Reversal is available for the Apple II on tape or disk for \$29.95 and \$34.95 respectively.

Sargon II—Circle No. 194 on product card

Reversal—Circle No. 195

Microsoft releases new version of Typing Tutor software package

BELLEVUE, Wash.—Microsoft Consumer Products has released an Applesoft version of its popular Typing Tutor program, the software package that both teaches typing and helps build typing speed through individualized lessons and drills.

The Applesoft version of Typing Tutor, which comes on disk, operates identically to the Integer BASIC version of the program, which has been on the market for one year.

According to Microsoft Consumer Products' President Vern Raburn, the Applesoft version was developed to accommodate the rapidly increasing number of Apple users who have Applesoft BASIC only. "When we first introduced Typing Tutor, almost all Apple II owners

had Integer BASIC, so we could address the entire market with just one Apple version," he says. "But as the Apple II Plus, which comes equipped with Applesoft, has become more prevalent over the past year, we have been deluged with requests for an Applesoft version of the program."

Since its introduction, Typing Tutor has reportedly gained widespread recognition as a fun, low-cost and very effective way to learn to type. The program uses short exercises and longer paragraph drills to teach keys and drill on problem areas.

Typing Tutor advances at the user's pace, not proceeding to more difficult levels until proficiency is shown at current levels.

Immediate feedback on speed, weak keys and percent accuracy is provided after each paragraph drill through use of Typing Tutor's proprietary TRM—Time Response Monitoring—software that monitors the keyboard 20 times per second.

The new Applesoft version requires an Apple II or Apple II Plus, Applesoft, 32K RAM and one disk drive. Retail price is \$19.95. The package includes diskette and instruction manual.

Typing Tutor—Circle No. 228 on product card

Microperipheral announces smart program

REDMOND, Wash.—The Microperipheral Corp. announces Smart III, reportedly the first smart terminal program written for the TRS-80 Model III.

The program is available either on a 1500-baud cassette or double-density disk. Smart III permits transfer of BASIC programs between the host computer and the

cassette or disk storage device. The program permits off-line text preparation (messages, manuscripts, letters, etc.) with Electric Pencil or Scripsit for on-line transmission. An additional program called File permits generation and storage of text, then transmission by Smart III for those who do not have word processors.

Smart III also permits transfers of source code files. The recipient can create the object code using an editor/assembler program. A separate command is available for transferring object (hexadecimal) code files.

Smart III—Circle No. 197 on product card

Peripherals boost personal computer sales

Continued from Page 21

Structures, Bala Cynwyd, Penn. Personal Computer manufacturers like Atari, Apple and Texas Instruments also offer peripheral items for their systems.

Retailers list printers as one of the most frequent add-on purchases

by home computer owners, although mass storage devices, including discs and drives, are reportedly expected to remain the largest single segment of the combined personal and business market.

While peripheral manufacturers state sales of their equipment is in

many instances more profitable than the sale of a computer, not all retailers agree. "Peripheral equipment is not more profitable for us," says Bill Cranz, Computer Factory, Huntington Station, N.Y. "The CPUs are a factory direct purchase while the other items come through

two-step distribution so that the profit is split up more ways." Cranz concedes, "There's an easier sell for peripherals and they're an important part of our business. Our customers are constantly expanding their systems and consistently come back for more programs or a disc drive."

Computer Factory, which stocks
Continued on Page 24

THERE'S NOTHING LIKE A CELEBRITY FOR IMPROVING YOUR SALES.



Meet the stars of Activision's two newest games, Kaboom!™ and Freeway.™

It's true. Everyone loves unusual personalities. And who could be more unusual than a "Mad Bomber" and a "Daredevil Chicken"? A couple of fascinating new video game characters who are sure to turn heads and turn over lots of inventory. They're part of the two most unique games ever created for use with the Atari® Video Computer System™ and the Sears Tele-Game™ Video Arcade®.

KABOOM!™ BY ACTIVISION... DYNAMITE! Now here's a game which will pose a unique challenge to anyone who has never tried to catch a bomb in a bucket of water.

You must compete against the "Mad Bomber" who is very determined to drop more bombs than you can catch in your buckets. Extraordinary? You bet. Easy? No way. Kaboom!'s "Mad Bomber" gets madder as you get better. That's why this bad guy is such good fun.

PRESENTING FREEWAY.™ FUN AND FEATHERS IN THE FAST LANES. How's this for a challenge? You must guide a "Daredevil Chicken" across 10 lanes of freeway traffic. It's not easy because traffic flow can vary from a few cruising autos to frantic rush hour intensity. Complete with

speeding cars and trucks, blaring horns and roaring engines. Everything except exhaust. Freeway is an incredible challenge to even the most agile jaywalker.

Come meet these new stars at the Chicago Consumer Electronics Show. Also, meet the award-winning Activision Design Team of Larry Kaplan, David Crane, Bob Whitehead and Alan Miller. Try your hand at our complete catalog of extraordinary video game cartridges and enjoy a sneak preview of what's next from the world's leading designers of video games. Be ready to have a good time.



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Tiny batteries garner big retail profits

By Bob Citelli

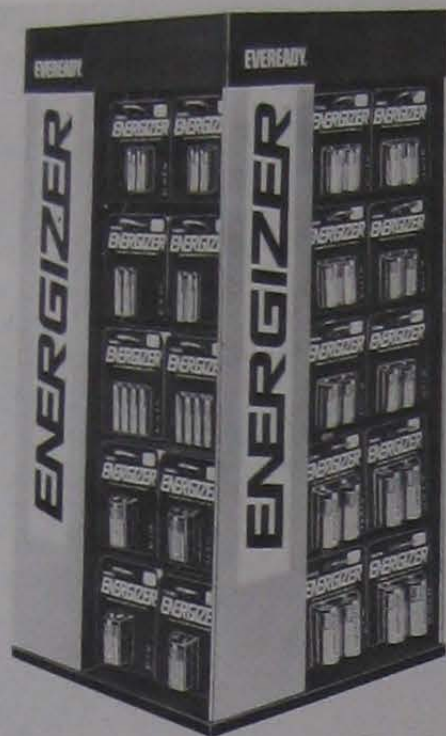
Though they are among the smallest items in any electronic retailing outlet, primary and rechargeable batteries are among the biggest profit-makers.

According to industry sources, primary battery shipments in 1980 are estimated at \$900 million for the United States alone, up from \$480 million in 1975. It is expected that as more and more products requiring battery power enter the market, shipments of these devices will reach \$1.3 billion by 1985.

While rechargeable batteries have not yet taken hold in the market (manufacturers' shipments last year are estimated at \$20 million), it is believed cost-conscious consumers will soon perceive the true value of rechargeables and begin buying them in significant quantities.

Retailers report sizeable markups on batteries, as high as 55 percent in some instances. "We're real pleased with the markup we're able

cash registers in the front of our showrooms. We also merchandise batteries in the electronics, camera and sporting goods departments. We stock GE rechargeable batteries



Eveready Energizer batteries—Circle No. 266 on product card

in the electronics department, too."

The merchandise manager at Masters Merchandise Mart said the chain reorders batteries about every 30 days. Depending on the season, these reorders can reach \$10,000 per month. "We're using higher-end batteries, primarily alkaline. At times when we're running a promotion we have some dump bins with cheap batteries, but I would rather run the better-quality batteries," says Lee.

Dale Gaither, owner of Tower Stereo Modesto, Calif., says he won't carry inexpensive batteries in his store. "We don't buy the cheap batteries because they don't last long. When you get somebody who is buying a \$300 cassette from you and he buys cheap batteries that only last three hours, he can be a little unhappy with that."

Tower Stereo stocks Eveready Energizers and Eveready Rechargeables in self-contained displays provided by the manufacturer. Gaither notes the batteries are stocked adjacent to a line of port-



Maxell batteries—Circle No. 265 on product card

able stereo items available in the store. "People need batteries when they buy portables," comments Gaither on this natural symbiosis. "We get them in weekly through a distributor," says Gaither, "and we buy about three or four dozen each time." He reports a 50 percent markup on the primary batteries and a slightly lower mark on the rechargeables.

At F Stop Photography, Stafford, Ariz., owner Gary Francese attains a "55 percent markup" on some batteries. Francese's store is located in a shopping mall and, like many mall stores, is long and



Polaroid Pola Pulse—Circle No. 267 on product card

to get on batteries, reports Carroll Lee, merchandising manager for the 23 catalogue showrooms in the Masters Merchandise Mart chain, Bradenton, Fla. "We get an excellent markup."

Lee says, "We're in a constant process of merchandising the category. We use Union Carbide batteries in an impulse area by the

NEDA offers battery index

PARK RIDGE, Ill.—The 1981 National Electronics Distributors Association's Battery Index has been completed and is now available.

The 12-page Battery Index lists 207 different NEDA battery members and is a cross reference manual of comparative and interchangeable batteries produced by leading manufacturers.

Published by NEDA every 18 months, the booklet includes primary or non-rechargeable batteries as well as the most popular rechargeable models.

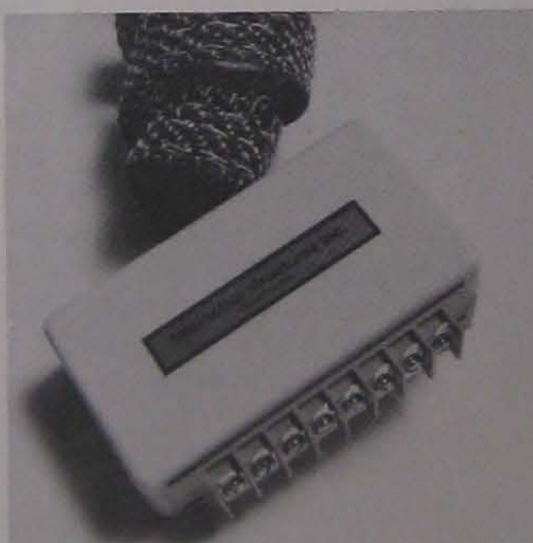
Battery Index—Circle No. 183 on product card

Selling peripherals boosts computer sales

Continued from Page 23

Atari, Apple and Commodore brands, merchandises peripherals by printing a list of available equipment and giving it to the customer with the initial purchase.

"The profitability in peripherals depends a lot upon the vendor," comments Elliotte Greene, Com-



Interactive Structures Signal Conditioner—Circle No. 268

puterLand, Carle Place, Long Island. "Rising freight costs can devour the margin on peripherals. The profits aren't as good as the hardware when you consider that we have to check out the equipment, which in some cases is not as high in quality as the mainframe. If it's defective, we have to pay the return freight, and in many instances, there is no service allowance. While we may not make as much on peripherals," admits Greene, "they do require less from us in terms of sales effort."

Data Domain, Schaumburg, Ill., emphasizes peripheral sales with the computer as part of a systems package. "Peripherals are the mainstay of our business," says Steve Shendelman, store manager. "With price competition the way it is, the sale of a system package boosts volume considerably.

"Now every system goes out with more items. Nineteen out of 20 computer systems go out of the store with disc drives, for example. Selling systems has brought our average sale into the \$2,400 to \$3,500 range as compared to a year ago when an average sale was a \$1,200 to \$1,400 computer," says Shendelman. "The margins on the peripherals are 30 to 40 percent compared to 20 percent on the basic equipment."

Personal computer customers have matured immensely, he believes, in the last year or so, although, "We spend a lot of our time bringing the customer down to



Epson printer—Circle No. 270 on product card

reality or trying to fulfill promises others have made." Most of the customers at Data Domain, located in a 10-store shopping strip in the Chicago suburb, want to use their computers both in business and at home.

Monitors are a best seller, and Shendelman characterizes NEC's new 12-inch green phosphor display as "one of the hottest numbers of the season." The three-year-old store reduced the number of computer lines after finding it was difficult to support too many. Now sales are centered on two systems.

"The suppliers have a lot to learn about margins and dealer support," Shendelman comments, "and even the best, like Apple, are barely able to keep up with themselves. We're

only now beginning to see some field reps, but as the suppliers get their business underway we're starting to see more professionalism."

Data Domain does little advertising "because this is an expensive market for ads" but offers service turnaround in one hour on Apple units and sends direct mail pieces to a list the store developed.

Bloomingdale's, New York, considers peripherals "just as important as the hardware and an ongoing part of the business for us," says Warren Zorek, merchandise manager. "Many customers buy some peripherals with the computer. Some of the most popular are the telephone modem for connection to information from The Source, printers, and modules, and the voice synthesizer does well."

The Texas Instruments 99/4 is the only computer Bloomingdale's has carried since it added a computer area a year ago, but Zorek says the store is "very satisfied and



Microperipheral Microconnection—Circle No. 269 on product card

views computers as a growth area for us." Promotion of the peripherals is tied in with promotion of the basic computer.

Increasingly, dealers believe peripheral equipment is an important part of their business as computer users gain experience and sophistication and seek to expand the power of their computers.

narrow. Batteries are displayed in a 4-foot merchandiser on the main aisle which stretches the length of the store, while others are positioned at the cash register in a counter rack.

Francese terms batteries a solid, year-round performer that fares well in his three other locations as well.

Battery manufacturers are ap-

parently quite cognizant of dealer needs. Most offer point-of-purchase displays, counter racks, printed handouts and some co-op dollars. Looking slightly ahead, they see nothing but continued growth.

Notes Tony Wiseman, manager, marketing services and market research, Gould, Inc., "Before the energy crunch, inflation and all that, people just didn't really

consider batteries in their budgeting. Batteries were an out-of-pocket expense, an incidental. But with the advent of the energy crunch, with the advent of inflation, people have to look for more value. And, with the advent of more and more battery-powered applications, like electronic games and recorders, there is a greater and greater demand for batteries in people's everyday

lives," says Wiseman.

Gould began marketing a line of rechargeable batteries a little over a year ago. They have keyed on that segment of the market because of the aforementioned reasons, and because "we feel the rechargeables will grow at twice the market rate for consumer battery products for the foreseeable future," says Wise-

Continued on Page 26

Rechargeables. **The now generation** **in profitable power.**

The General Electric Rechargeable Battery System. Made for many of today's battery-powered electronic devices — and right for you with:

- Higher gross margins per sale than throwaway batteries.
- Repeat sales — 1 charger can pull through 8 battery sales in a year.
- Average annual profits, in one case, as high as \$11,985/sq. ft.*

A program with PULL

National print — full color, full page ad with \$3 REBATE COUPON. Informing, educating, motivating your customers in major national magazines — over 18,000,000 coupons in the 4th quarter.



\$3 Consumer REBATE

\$1 off on each charger, each module with batteries and each battery package:

- In national print, pulling customers into your store.
- At POS on the new pre-pack display.
- In new ad slicks for peak selling season co-op.

TV — 410,000,000 adult impressions

GE Rechargeables will be featured on America's most popular nighttime TV game shows.

We bring good things to life.

GENERAL  ELECTRIC

The NOW battery means PROFITS

General Electric is building customer loyalty to GE Rechargeable Batteries. Telling America GE has a simple, convenient alternative to throwaways. Establishing brand preference with exclusive features like our Double Charger. BE READY to profit. One West Coast mass merchandiser reported estimated annual profit per square foot averaging \$11,985*. This can become even more impressive with the impact GE's complete new program is generating. GE Rechargeable Batteries. Today's profitable alternative to throwaway batteries.



- New pre-pack merchandiser displays
- A great new co-op radio jingle and ad slick program
- Multi-million impression PR campaign...and more!

Record retailers eye prerecorded video sales

By Mark Andrews

Record retailers feel that prerecorded video software will become an important and exciting part of their business in the years ahead. At the moment, however, they are moving in slow motion—if at all—in getting started in the prerecorded video market.

That was the story gathered from dealers around the nation by LEISURE TIME ELECTRONICS in an informal telephone survey of record stores, record distributors and major movie studios involved in the prerecorded video market.

Some record retailers who have taken the plunge into video complained of high start-up costs, limited profits, slow turnover of inventory, and restrictive policies by the movie studios that offer video software.

The studios contended that they

prerecorded pieces. This year, not only will hardware double, but I'd think that the number of pieces purchased will also go up. So we probably can expect more than a doubling of prerecorded software sales—to at least 5 percent, and more likely closer to 6 percent of TV households—by the end of 1981."

Gold says it would be difficult to predict how fast prerecorded video sales will grow in the years ahead, but he says he is confident that it will be "nothing but an up market for the next several years."

Record stores, he says, accounted for 7 percent of the retail sales of prerecorded videocassettes during 1980. This year, he expects that "to start to go up pretty rapidly."

Gold points out that record dealers "have a lot of good locations, years of merchandising experience, advertising connections, and organizations that are

and are undercapitalized. But they are willing to take a risk. Record stores that are making money are better equipped but are less inclined to take a risk. As video becomes less risky, I think we'll find more record stores getting involved."

stores with a complete catalogue of the top-selling video titles in the U.S., and Hill claims he has most of those titles in stock. Each store carries an average of 20 to 30 titles, he says, "and can get the rest from me, usually on an overnight basis." Some of the Budget stores display

"A store in a good-size city where there's not too much competition does best."

—George Hill, Danjay Music

Gold feels that record stores which are "sufficiently capitalized and well-managed should take a chance on what seems sure to be a growth product over the next five years. If you can afford to take a risk," he emphasizes, "it's a great risk to take. If you can't afford to take a risk, it's irrelevant."

George Hill of Danjay Music, distributor for the Budget Tapes & Records chain in the Northwest, went into the video business several months ago and adds that 20 of the 90 Budget stores in Denver and Seattle are now selling prerecorded videocassettes. Business "was slow at first," but has now picked up considerably, he says.

Very Effective

Hill reports the Budget chain has done only a limited amount of advertising of its video offerings. But the local advertising that it has done "has been very effective."

Danjay provides the Budget

their video product in two-sided countertop racks, and others simply show them off in glass display cases, says Hill. "There are also signs in the stores, which we provided."

Danjay recommends no specific markup figures, but leaves the outlets that it serves free to set their own. Other distributors say, however, that markups of 25 to 30 percent are fairly standard in the prerecorded video industry.

There are Budget stores, says Hill, "in every conceivable kind of location; some are in shopping malls, some are on Main Street, some stand alone. Obviously, a store carrying video in a fairly good-size city where there is not too much competition does the best."

Hill notes that most of his competition comes from video specialty stores—which, unlike the Budget chain, rent tapes as well as sell them. Rental charges in Denver and Seattle vary from area to area,

"I would anticipate that the hardware population will about double in 1981."

—Martin Gold, Altec Distributing

have relaxed many of their marketing practices over the past few months. And they insisted that any imaginative and aggressive record dealer can make good money, attract new customers and get in on the ground floor of a fast-growing market by setting up a prerecorded video department in his store.

Some retailers, particularly dealers on the West Coast, agreed that there are great opportunities in the field of prerecorded video. And even those that are not doing a landslide business in video at the moment said that they are optimistic about the longterm future of the home video industry.

Sales Will Double

Martin Gold, president of Altec Distributing Co., Burlington, Vt., predicts that sales of prerecorded videocassettes during 1981 will more than double what they were in 1980. Altec distributes audio and video software to many different kinds of stores across the nation, but focuses most of its marketing efforts on stores in New England and Upstate New York.

"Hardware penetration of TV homes was 2.5 percent at the close of 1980," says Gold. "But in January 1981, deliveries of hardware were 97 percent over deliveries in January of 1980. So I would anticipate that the hardware population will about double in 1981 over 1980, probably achieving close to 5 percent of TV homes by Christmas."

"In addition," Gold continues, "I think the number of tapes purchased per machine will increase, with all of the major studios now on the market and with advertising increasing. In 1980, only about one out of every four machine owners bought a prerecorded tape, but each of those persons bought an average of five

well equipped to merchandise hit and catalogue products released by studios and independent distributors." He adds:

"The only thing that is really required to get record people into this business is an entrepreneurial spirit. Entrepreneurs all over the country are opening video stores, and many of them lack knowledge

Retailers see batteries as profitable category

Continued from Page 25

man. "Primary battery growth is about 18.5 percent annually. We expect rechargeable growth at twice that." Union Carbide's ad manager Doug Orr concurs, saying, "It's growing by leaps and bounds."

Says Gil Peck, national accounts manager at GE, "Consumer awareness of rechargeables is not as much a problem as it used to be. It has been a problem in the past, and we are addressing that with consumer and trade ads in 1981."

Peck believes "the sky literally is the limit for rechargeables. It's in an embryonic stage right now. All it needs is what we're giving it, and that's product push at point of purchase."

Carroll Lee asserts rechargeables do receive a push at Masters Merchandise Mart showrooms. "We are very much service-oriented. We have sales clerks in each one of our areas, and they do a good job of direct-selling the batteries. We try and sell rechargeables at every opportunity. I've seen a big switch in the last five or six years from regular and alkaline batteries."

While Lee thinks "the rechargeable industry is doing a good job of selling people," he adds: "They still have to be sold on the item." He contends, "People are basically lazy. They'd rather spend the money for regular alkaline batteries

and replace them. Even if in their own minds they see down the road that they will save money, they're still basically lazy and they don't want rechargeables at first."

'A Specialized Source'

At Maxell, marketers are pursuing a different niche in the battery industry. "We see ourselves as a specialized source for specialty batteries for watches, calculators and cameras," says assistant advertising manager Mary Ann Morris. "The watch battery replacement market is growing all the time in view of all the digital quartz watches that are out there." While most of the firm's SR616SW batteries are used in these sleek watches, the 1.6-mm-thick battery is finding its way into credit card calculators as well.

Additionally, the firm is "in the process of developing a solid-state battery that has the advantages of absolutely no self discharge and no

leakage," says Morris. This battery is wafer thin and is reportedly only 0.7 mm thick.

The established firm in wafer-thin batteries, however, is Polaroid with its Pola Pulse line. This battery, introduced in mid-1980, is just taking a foothold. According to Mike Suvalle, marketing manager, a natural process has evolved and products incorporating the new battery are beginning to surface in the marketplace. Suvalle states products like portable phones, electronic games, remote control and security devices will soon be using the Pola Pulse battery on a large scale.

Suvalle predicts a rosy future for batteries of all types, saying "the more products that come into the marketplace that need replacement batteries, the more they continue to buoy the market." If current trends continue, retailers will be floating on high tides with battery sales over the next decade.



Gould batteries—Circle No. 272 on product card



GE batteries—Circle No. 273 on product card

usually ranging from \$4 to \$8 a day, says Hill. Most of the video specialists in the area were originally involved in sales only, but Hill believes "renting is going to catch up with that eventually." He adds, however, that he has no plans at present to go into the video rental business.

Carl Thom, owner of the 13 Harmony House record stores in

Detroit, asserts that his shops offer about 120 to 150 of the best-selling video titles in both the Beta and VHS formats. "We are not a full-catalogue video store because of space, and the percentage of sales is still quite low in our type of operation compared to the percentage of records and tapes we sell," he says. "But we wanted to put the merchandise in to stay with the new

trends in the audio-video business."

Asked if video sales have been up to his expectations, Thom replies: "No, it hasn't been moving at the levels I'd expected; I've been kind of disappointed in the level of movement. The rental business in this area seems to be a little more successful, but we're not into rentals. The stores that have

opened up with a catalogue of several thousand titles have been doing business in rentals, but we're a full-catalogue record and tape store, and it's hard to devote a large area to videotapes. Our main business is still records and tapes."

Thom says his stores have done some advertising of their video product, "but not aggressively like

Continued on Page 37



"EVEREADY" GIVES YOU THE POWER TO START ALL YOUR TOYS OFF RIGHT.

"Eveready" predicts 36,000,000 new toys will be sold in 1981. You can start every toy off right by installing "Eveready" Batteries as original equipment. Nobody offers a wider selection of battery power than "Eveready": Energizer,[®] Heavy Duty, Flashlight and rechargeable Nickel-Cadmium

Systems in all the popular sizes, plus a full range of miniature battery systems. Put the right "Eveready" Battery in your toy and you'll help guarantee customer satisfaction.

Start all your toys off right...with "Eveready." The world's number one supplier of primary batteries.



Buyers approach games conservatively

Cover Story

Continued from Page 1
and cassettes accounted for 12.1 million units and \$472 million at retail, up 38 percent in units and 50 percent in dollars.

While NPD's figures bode well for the industry, other sources place retail sales of electronic games and learning aids at as low as \$650 million, citing large amounts of carryover stock as one reason for the discrepancies.

Took Markdowns

According to Thomas Kully, toy analyst with the Chicago-based research house of William Blair & Co., "The thing that's missing in the equation of analysis is precisely what the trade inventory carryover was in 1980. You hear a lot of talk, but you find that retailers were bloodied up a little in November



At Games People Play, Houston, consumers get a chance to match wits with computerized games.

you'll eventually get your money out of it. Did you do bad or did you do good?" he asks. "It depends on what you're looking for in return. If you made \$200,000, it's better than if you didn't have a

beefed up their products for '81 by expanding the memory and introducing programmable game cartridges. A noticeable trend at Toy Fair was the move away from sports games. This may revitalize the category to its lofty heights of previous years when growth rates were astronomical. However, Dvorin expects further consolidation.

Already a number of manufacturers have halted their move into the category while others have died by it. Still others that remain have reduced their total number of SKUs. With this consolidation, Dvorin expects a sales base "of approximately 50 percent of the 'healthy sales' achieved last year" to continue.

Established Bases

"I did not hear of anyone who is willing to write off the category totally. People feel electronic will be one third to two thirds of the business it was in 1980. If you take that as an average, one half of that would be comprised of an established base within the industry." Comprising that base, says the wholesaler, are the now-basic staple electronic items such as Simon and Coleco's Quiz Wiz. These are well

known among consumers and will continue to sell if they are promoted. "You have a base and then you add new items in. What the new items will be will always be hard to tell," he says.

Dvorin likens the category's growing pains to those of other electronic items. "I've always looked at it as the fascination of the public with electronics. There's a floating amount of dollars and it moves from calculators, to watches to video games to handheld games to headphones. There's a continuous fascination on the part of the consumer with electronics, but it moves rather rapidly, in and out of different industry segments," says Dvorin.

With such a fickle public, buyers are approaching the category with caution. Says Dale Thomas, buyer for the 195-unit Pamida chain, Omaha, "We're looking at six to eight SKUs, that's it. We're not going real deep. We're very conservative. If they do well, and we've got open to buy, then we're going to reorder." But he believes the business won't develop until the third and fourth quarters, by which time it will be too late to reorder.

"Selection Was Good"

Thomas notes, "The selection was down at Toy Fair but the selection I saw was very good. However, after you come off a year that's quite disappointing in a category, it doesn't really matter how exciting or how good the selection looks out there because you're pretty well predestined that you're not going to buy."

The Pamida buyer says he "didn't have a lot of carryover because two weeks before Christmas we decided to close them out and take a bath on them. We went anywhere from 25 to 50 percent off. We didn't have any carryover, but we lost a lot of money."

Thomas continues, "I think the



Cockeysville, Md.-based Games chain sponsors annual Home Entertainment Spectacular to promote electronics.

and December and they had to take markdowns to get where they are."

Sales Did Well

Len Dvorin, president of H. Corenzwit, believes the question is really one of perspectives. The Hillside, N.J.-based distributor admits there were serious "psychological" doubts about the category at the recently concluded Toy Fair. However, he reminds his customers, "When there were 10 items available you sold all 10, but you were only selling 10. When there were 50 items available you were only selling 30. You may have been selling three times as many items but you were only getting a 60 percent satisfaction rate. When there are 400 items out there (as was the case in 1980) and you're only selling 60, you're only selling 15 percent of the SKUs in adequate turns but you're selling 60 instead of 10. As the numbers expanded, the percentage of sell-through diminished, but total sales did well."

Dvorin admits "there was more carryover than people would have liked, but if you take it as a percentage against sales that were made, it's not out of sorts. If you made a \$1 million buy and you sold \$900,000 and made \$200,000 on that buy, you carried over \$100,000 of which

category where you made nothing."

Upgraded Product

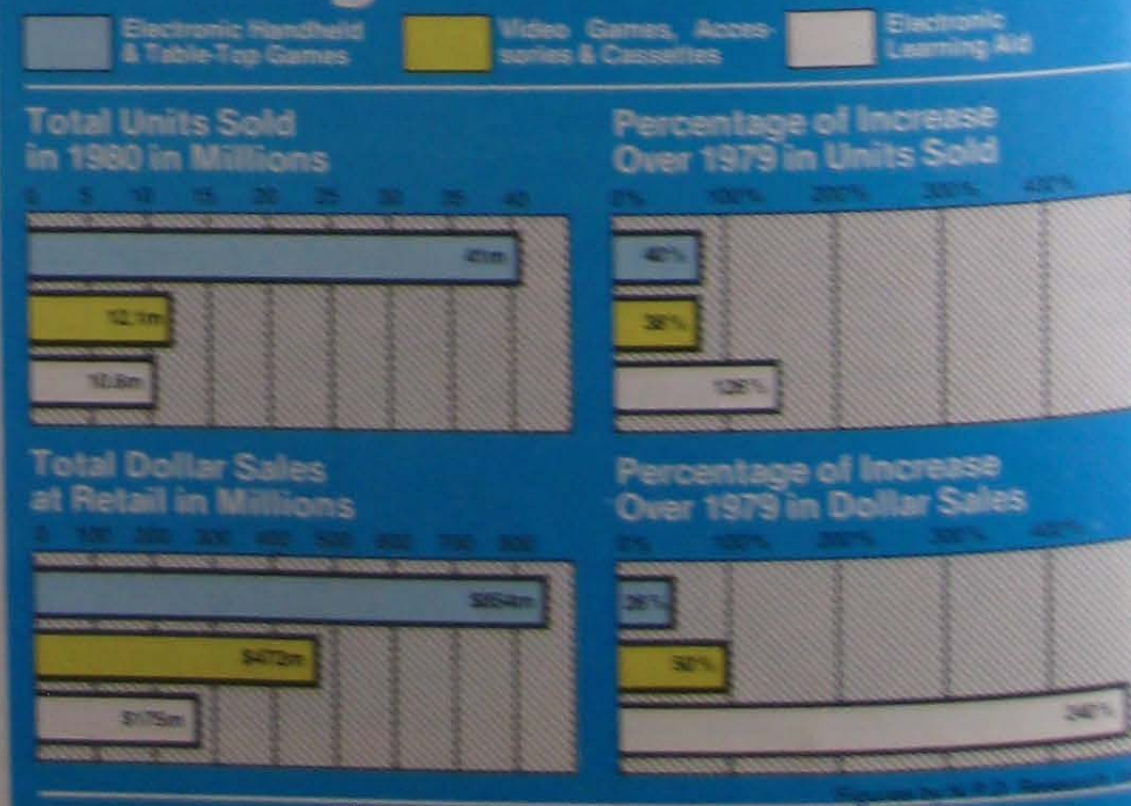
Says Martin Cosgrove, analyst at Bateman Eichler, Los Angeles: "Earlier-generation product suffered across the board in 1980." He noted that firms like Coleco, which upgraded its previous year's line to include two-player games, fared well, while others—like Mattel, which stuck with its earlier generation of games—"got themselves in trouble. First-generation product in the marketplace in the third and fourth quarters was the cause for their problems. It was at the point in the product cycle where you expect some of the cheaper brands to finally step in. They were strong competition for Mattel product that had been on the market for a year and a half."

More Sophistication

Cosgrove explained: "I think people were looking for something a little bit more sophisticated. I believe that most people who stayed with the simpler product didn't fare as well."

A number of manufacturers, drawing on the history of video games, have recognized the "boredom" factor which marked the decline of dedicated video games and

1980 Sales Performance of Electronic Games and Learning Aids at Retail



song and dance is over and those major manufacturers that have product are going to do well." He believes low-end goods, products already established and some high-end tickets will sell this year. "I don't think people are going to stand up and shout about the fringe manufacturers' products."

He said manufacturers should lower their prices because "\$15 to



Entex Table Top Game Machine—Circle No. 238 on product card

\$24 is a magic price. We were very successful with product under \$20 last year; we blew it out." This year Pamida plans but two print ads for the category and will display the items they do buy on a 12-foot shelf that allows consumers to approach and play the games. Inventory will be stocked behind the games.

Continued on Page 30

APPLIED CONCEPTS INC.

PRESENTS AWARD WINNING PLAY

WITH ITS MASTER SERIES OF MACHINTELLIGENCE GAMES

Starring **HANDroid**

World's First Chess Playing Automaton

HANDroid is a real show stopper!

His role as the ultimate computer chess partner — sensing your moves and making his own — always draws the crowds. You'll want to book **HANDroid** for your next store performance.

He plays great chess — and really knows how to grab an audience.



Featuring **Great Game Machine** A Multi-Game Computer

For the first-time ever... a completely portable micro-processor game machine that will accept contiguous play strategy game cartridges. It plays Chess, Checkers, Reversi, Kriegspiel and Blackjack... all at the drop of a cartridge!

And, here's a star that will keep on shining! As new games and better program cartridges are produced, **THE GREAT GAME MACHINE** will support them all with magnificent performance.

If you want really long-run play, headline your next store display with **THE GREAT GAME MACHINE** and its cast of thousands.



Game Cartridges

Morphy
Edition
master chess*

Gruenfeld
Edition
master chess
openings*

Capablanca
Edition
master chess
end-game*

Las Vegas
21
master
blackjack

Monitor
Edition
master
kriegspiel

Odin
Edition
master
reversi

Borchek
Edition
master
checkers

* These three cartridges can be played contiguously on **THE GREAT GAME MACHINE** to provide incredible strength (24K) of play. It may be years before the chess market sees a stronger game.



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Morphy **ENCORE**
Chess

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diplomat II
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Programmable cartridges rejuvenate video games

By Jim Levy
President
Activision

Two years ago, when I first looked at the video game industry, I read that "video games were struggling." The press and the trade were watching the collapse of the dedicated video game business in the face of the new hand-held electronic games and programmable games. RCA and Fairchild had come and gone very quickly. Atari, with their Video Computer System, had exploded on the scene, faltered a bit, but seemed to be regaining stride. Mattel was just making Intellivision noise; Magnavox was steady but not spectacular; Bally was still Bally.

The business in mid-1979 was O.K., but not overwhelming. Distributors, retailers and consumers—burned or confused by the collapse of dedicated games and the uncertain future of programmable games—were taking a "wait and see" approach, afraid to commit to an idea that could be just another fad. And all the talk about the coming home computer revolution was distracting many observers from the potential in programmable video games.

But, in the last 18 months, the industry has exploded! In 1980, sales of game systems and cartridges exceeded \$500 million at retail—a level which many didn't expect to be reached for several years, if at all. Programmable video games are already a half billion dollar industry—and the industry is only a few years old. And now we're talking about long-term growth, not "will it last?"

So what happened? Why did the industry go from struggle to bonanza in just 18 months?

Overnight Success

There seem to be a number of reasons for this overnight success. First of all, programmable games showed great consumer appeal in 1979, in spite of all the questions being asked at the time. Their entry and impact on the market was severely clouded by the collapse of dedicated games and the trade's reluctance to tackle a product so closely associated with one which had so recently died. But, Atari's continued success and the rapid growth in advertising, promotion, publicity and consumer acceptance of this new generation of video games dispelled a lot of the confusion between programmable and dedicated games that existed two years ago.

In 1980, the video game business blew wide open. Atari seemed to "put it all together" in distribution, sales and advertising; *Space Invaders* exploded as a gigantic game cartridge super-hit—a game that sold systems as well as itself; Mattel unleashed Intellivision and George Plimpton on the American consumer, and it worked; Magna-



Jim Levy

vox showed some new marketing and advertising fire; and Activision was born as the first independent designer and marketer of game cartridges.

Now, the industry is in a state of transition. 1981 promises to be another year of spectacular growth. The recognition of the true potential

"In 1980, sales of game systems and cartridges exceeded \$500 million at retail."—Jim Levy, Activision

of programmable video games and game cartridges as a viable long-term industry—not just a "fad" destined to fade as fast as it flared—is finally registering with game manufacturers, distributors, and the retail trade. Those reluctant to bite the bullet in prior years are flocking in droves to join the party now. Not only is another year of rapid growth within our grasp, but a decade or more of industry growth is staring us in the face.

But, we've got a little housecleaning to do and unfinished business to attend to. If we're successful, we will make the transition smoothly from "new" to

"established" status during the next two-three years. If not, it may take a little longer to achieve long-term respectability as an industry, not a novelty.

These are the challenges facing those of us in the video game industry in the next few years:

The manufacturers of game systems must deal with the continuing challenge of improving machine performance and reliability. Radical improvements have been made in the last couple of years, but there are still too many system failures to spoil the consumer's appetite. While we understand that current and potential system manufacturers

Electronic games undergo transition

Continued from Page 29

Two Guys buyer Joe Miller also believes manufacturers should reduce prices on the games. Because the items are so high priced, Miller says, he must be "very selective," since "sales were not what they were last year."

The 49-unit chain, based in Passaic, N.J., will reduce its SKUs to about 18 in 1981. Promotion will be concentrated on closeouts as they become available, says Miller. The chain will devote 15 to 20 feet within its toy departments for electronic games, with special signage behind showcases and behind the counter near the cash register.

"The trend of the market," says Miller, "is that the name-brand

goods and goods that were accepted in the past will probably sell in good quantity. You'll have to be cautious with new goods."

Ivan Hutton, buyer for the 15 Giant Way Department Stores, Mount Pleasant, Mich., notes a trend towards "the learning aid aspect as opposed to the entertainment aspect. That's probably a more desirable area to be in at the cost factors we're talking about. There's got to be more than just fun involved for the consumer to spend that kind of money."

Giant Way will offer about 10 SKUs at \$20 to \$40 each. The stores create their own display, utilizing some point-of-purchase materials available from manufacturers but

really relying on their own creativity. Says Hutton, "They've got to be available for the consumer to play with." So he tries to keep the games out in the open.

A number of large chains and department stores surveyed have broken out their electronic games into two separate areas, placing the low-end handheld games in toy departments and putting higher-priced goods, including chess sets and TV games, in electronics departments. With the category in transition, it is expected that sales will level off in 1981. Smart buyers will continue with the category, says Corenzwit's Dvorin, because "electronic games are certainly here to stay."



NPI's Maze—Circle No. 239 on product card



Imaginamics' line—Circle No. 240 on product card



Bambino's Color Games—Circle No. 241 on product card



Selchow & Righter's Word Power—Circle No. 242 on product card



Mattel's Dungeons & Dragons—Circle No. 245 on product card



Fidelity's Reversi Challenger—Circle No. 243 on product card



Tiger's Finger Bowl—Circle No. 244 on product card

are working on improving the capabilities and reducing the costs of game systems, we hope they are also focussing seriously on system reliability.

The industry must find a much better way to forecast its needs and keep pipelines filled with fast selling cartridges. The record industry knows you can kill a hit record quickly if you can't supply it;

we'll have to face this reality as the competition heats up and the novelty wears off.

We must continue to experiment with and explore the proper retail environment for both game systems and cartridges. The consumer must be very confused when he goes from store to store and finds video games variously in toys, sporting goods, cameras, TV and appliances,

records, etc. And even when he finds them, the stocking and display of cartridges especially is often spotty at best. There's a lot to be learned from the music industry.

And, above all, we must continue to show the creative energy and imagination out of which this industry spawned and from which its long-term growth will come. Game system builders must keep

expanding their systems' capabilities to open the door for more and better game cartridges, while maintaining software compatibility from generation to generation. Game cartridge designers must not be content to just re-do what's been done, but we must continue to challenge and expand the creative boundaries with new game designs

Continued on Page 33

GALAXY II

THE SPACE GAME OF THE YEAR

The hottest attraction at Toy Fair. Scheduled to receive exciting TV promotion, this revolutionary, ultra-modern electronic game has all the features of the most sophisticated arcade game... and lot's more.

Your defense force consists of five earth ships.

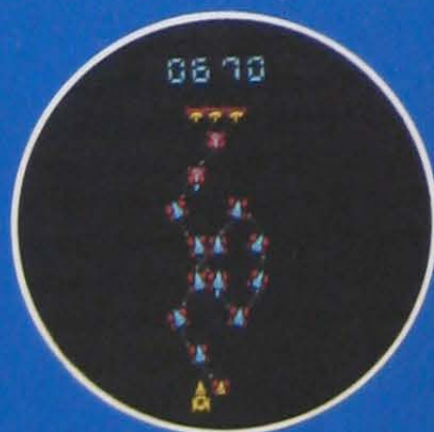


PHASE ONE

A squadron of ten enemy fighters attack in zig-zag and backward-forward attack patterns.

PHASE TWO

Ten more fighters attack... this time in a circular formation. After you have knocked out both squadrons, you enter phase three.



PHASE THREE

The three-enemy command ships are now vulnerable. Constantly in motion, they release a barrage of missiles. If you knock out all three the scoreboard gives you a "good" rating.



PHASE FOUR

The exciting docking maneuver. Your earthship launches a space shuttle. When it begins its decent, countdown begins from one thousand. You're working against time. With skillful manipulation of the joystick you can achieve a fast, successful docking and receive a high score.

THAT'S NOT ALL!

Now that you have mastered game one, you may proceed to the next playing level. Games two, three and four are progressively more advanced.



EPOCH

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Coleco expands electronic game line

HARTFORD—Coleco expands its line of electronic sports and family games with several new products.

Electronic Boxing joins the firm's line of Head To Head games which allow two players to compete with each other or a single player to



Total Control 4

compete against the computer. At the start of the game, the traditional Fight Song welcomes the players to the match. From then on, players are in complete control of their own LED boxers.

Up to four players can match wits with Quiz Wiz Challenger, Coleco's new, competitive question-and-answer game. The new item begins with the proven Quiz Wiz electronic question and answer format while adding the excitement of direct competition, notes the firm.

The Challenger offers players two ways to compete. In one mode, questions are read by an out-of-play reader while each player races to arrive at the correct answer before the others. The player who is first with the correct answers to five questions wins the round. In the second mode, all players who correctly answer a question score points. The reader can also be a player in this mode, in which the highest number of correct answers wins.

The total control of real bowling is now available with Bowlatronic, a new sports game. Bowlatronic can

be played by up to four players, and gives them unprecedented control.

Coleco has also developed a total-control cartridge game system that allows up to four people to participate in up to four different sports.

The firm's Total Control 4 Sports Cartridge System allows two, three or four people to compete head-to-head with one another, or a single person to play against the computer. The system consists of a master console and four game cartridges offering Football, Basketball, Soccer and Hockey.

Packaged with the football cartridge alone, the unit is available for \$49.95 suggested retail.

Boxing—Circle No. 177 on product card

Quiz Wiz Challenger—Circle No. 178

Bowlatronic—Circle No. 179

Total Control 4—Circle No. 180



Epoch's Galaxy II

Epoch introduces new space game

ENGLEWOOD, N.J.—Epoch introduces the ultra-modern Galaxy II arcade game that's four games in one.

Three enemy command ships, protected by squadrons of enemy fighters, are situated at the top of the game's screen. In phase one, they attack in a zig-zag pattern. Players score 50 points for each one destroyed. The fighters also are capable of a backward-forward attack pattern in this phase. A kill here, is worth 40 points.

In phase two, 10 more fighters attack, this time in a circular formation. When these two squadrons have been destroyed, the player enters phase three.

Galaxy II—Circle No. 279 on product card

California R & D to offer Novag Chess in United States

LOS ANGELES—Novag Chess Computers are now available in the United States through the California R & D Center here.

The computers have been among the most successful games in Europe since 1978. Now a team of 15 scientists, engineers and expert programmers has developed a brand-new generation of chess computers, which California Intermar-

ket Center will sell throughout the U.S. and Canada.

The line for 1981 includes such innovations as the largest LCD chessboard with new Sensor-Touch-Technology incorporated into the Novag Savant models, a multi-purpose Quartz Chess Clock for timing a game with or without a chess computer, the tiniest and lowest-priced chess computer with

Sensor Technology, and the "piece de resistance", the Robot Adversary.

Both the Savant and Robot Adversary contain the 24K Mychess program which was prepared by Dave Kittinger, renowned micro-chess computer programmer.

Novag Chess Computers—Circle No. 200 on product card



Gabriel's Computer Othello

Gabriel's strategy game Othello now available in computerized, handheld version

NEW YORK—Othello, Gabriel's internationally acclaimed strategy game that "takes a minute to learn, but a lifetime to master," is now offered in an electronic version.

Computer Othello is actually eight different challenges in one. When a player can't find an opponent, Computer Othello is always ready to play. Players can choose their own strategic level too, from novice through expert. After a player moves, the computer contemplates over 100 tactical moves per second, recalling a whole program of Othello-playing moves

while storing information about the game being played.

If a player is hopelessly losing, he can switch sides with the computer to learn strategy and tactics. Play can also be against another human.

Computer Othello features a glowing diode that tells whose turn it is, easy-to-read numerical scoring, liquid crystal display, contrast screw adjustment, AC adapter jack, sleek dust cover and detailed instructions.

Computer Othello—Circle No. 189 on product card

Atari introduces four game cartridges; brings holography to tabletop games

SUNNYVALE, Calif.—Atari introduces four new video game cartridges and brings the magic and excitement of holography to electronic table top games.

The four new game cartridges—Asteroids, Warlords, Othello and Video Pinball—can all be used on the firm's Video Computer System and bring to 42 the number of cartridges now available for the home video entertainment system.

Asteroids is the home version of the popular arcade game. The player's spaceship is trapped in a treacherous asteroid belt. Points are scored by fighting off enemy ships as well as avoiding onrushing asteroids.

Warlords is a game of defense and capture with a medieval theme. A king hides behind castle walls in each corner of the TV screen. The warlord's role is to protect his king, defend his castle and destroy opposing kingdoms.

Video Pinball offers all the excitement of a real arcade pinball game, complete with sound effects. The ball can be launched with varying speeds, one or both flippers can be activated, and the ball can be

"nudged," but push it too far and the game tilts.

Othello is a classic strategy game. The object is to capture more squares on the board than your opponent, but the strategy is complex. The only rule is that each player must sandwich as many of his opponent's pieces as possible between two of his own pieces.

The Cosmos Programmable Game System features Holoetics, Atari's exclusive holographic technique for creating dazzling three-dimensional light images.

Cosmos is a table top game system that combines Holoetic images, sophisticated LED game play and innovative sound effects. The system is programmable and initially eight game cartridges are available.

Asteroids—Circle No. 156 on product card

Warlords—Circle No. 159

Video Pinball—Circle No. 158

Othello—Circle No. 159

Cosmos Game System—Circle No. 160

Game Cartridges—Circle No. 161

Video games require fresh new ideas

Continued from Page 31

that are both graphically exciting and playable by humans of all ages. It wouldn't hurt the industry to have a few more competitors in both system and cartridge design and marketing, to keep us all on our toes. But, please, no more totally

new systems with completely new, non-compatible software demands for awhile. If we keep re-inventing the wheel, the consumer will keep waiting for the next generation.

Video games—like phonograph records and stereo systems—are home entertainment vehicles which

require a constant flow of fresh, new ideas to insure growth. We stand where the music industry stood twenty years ago. If we do our homework, and improve our management and merchandising discipline, a \$3 billion industry could be just around the corner. ■

Activision Moves

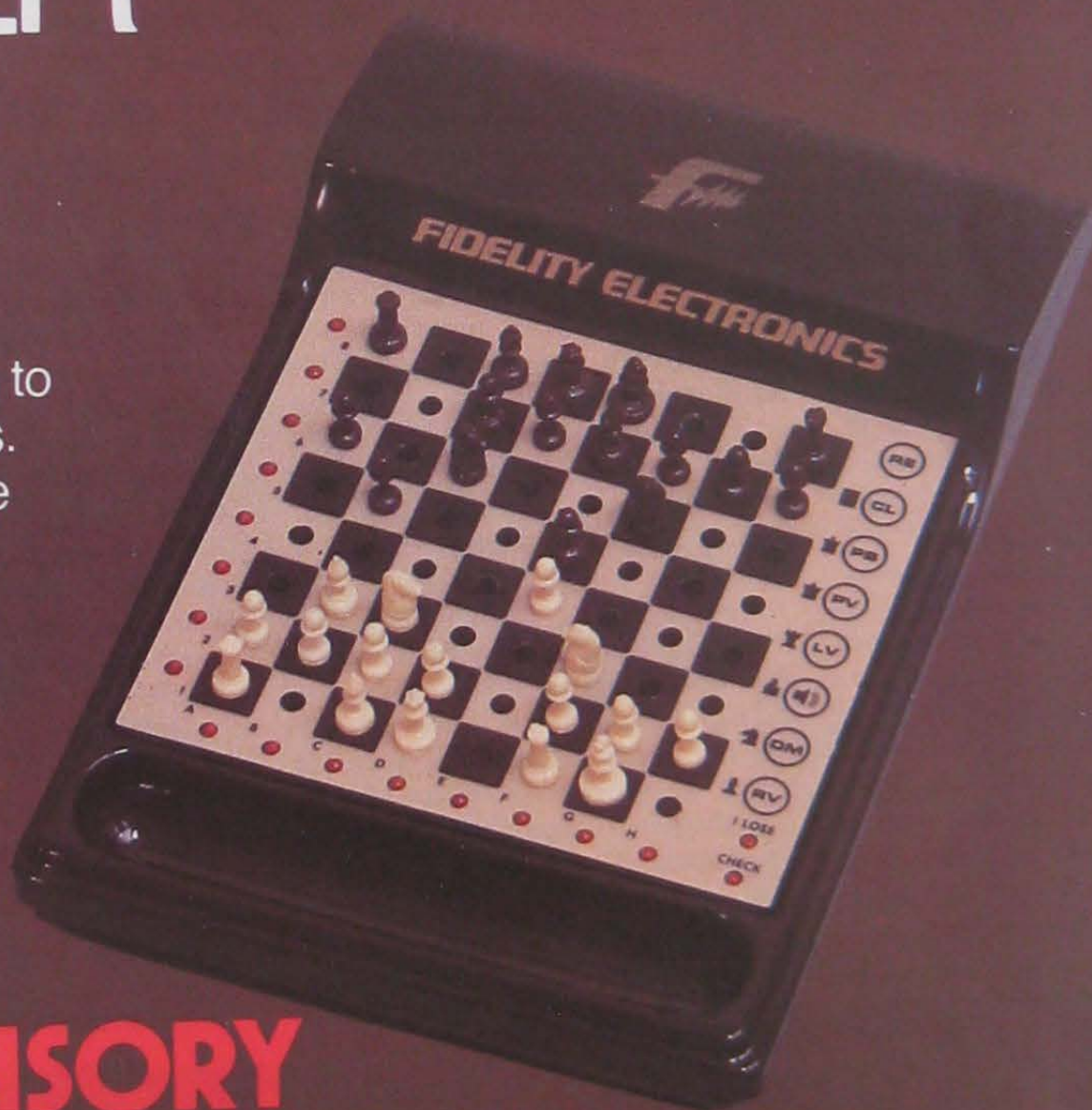
SANTA CLARA, Calif.—Activision, independent designer and manufacturer of videogame cartridges, has moved to new offices here.

In the last year, the firm has grown from 5 to 18 employees and expects to expand to over 50 staffers by year's end. The new headquarters is at 3255-2 Scott Blvd., Santa Clara, Calif.

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Portable stereo cassette units take hi-fi outdoors

Cover Story

Continued from Page 1

tape unit with the strange-sounding name. But they quickly learned what to make of it: namely, dollars. Today, more than a dozen electronics companies are manufacturing and marketing pocket-sized, headphone-equipped cassette players, cassette recorders, and AM/FM radios.

Despite the competition, Walkman's popularity has remained strong. "If I'd had 10 times the number of Sony pieces that I had over Christmas, I would have sold every one of them," declares Thaddeus Socha of Tweeter Etc. in Boston. "The demand was outrageous. And now that the weather is good, we're going to see a lot more action."

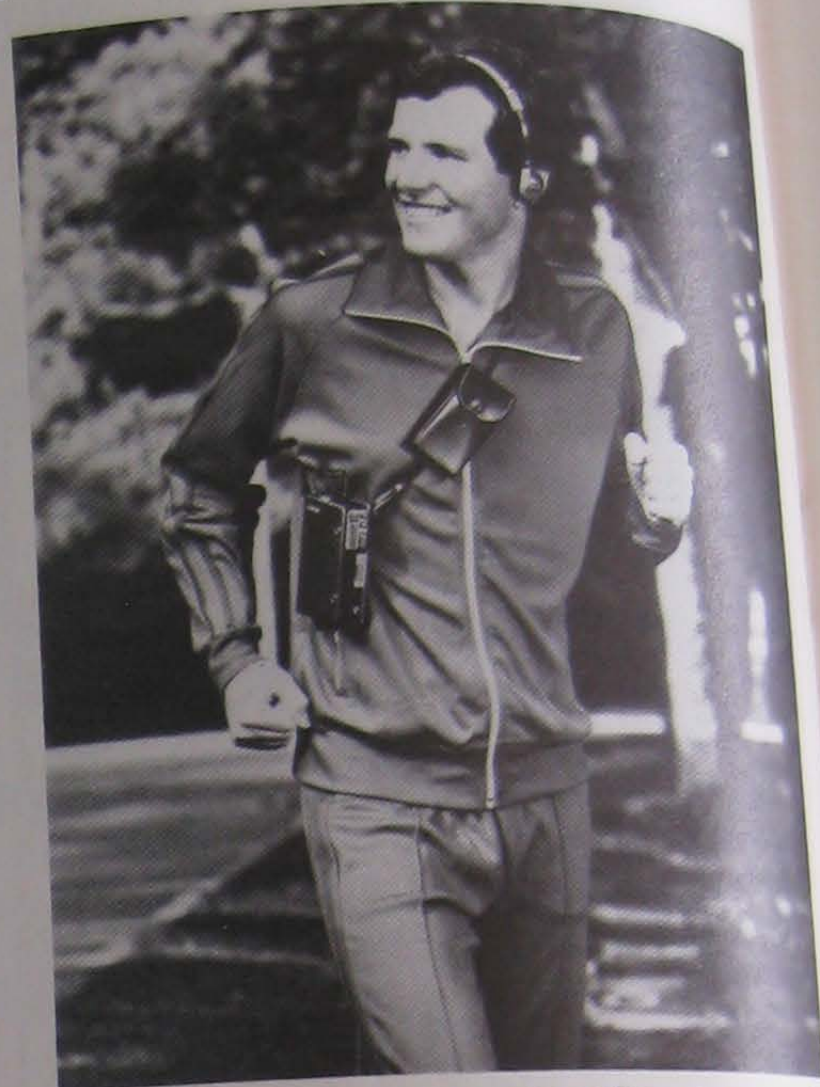
Socha says there has also been great demand for Aiwa's new personal cassette recorder, the TP-S30Y, which carries a suggested retail price of \$220. The TP-S30Y records, has line inputs and outputs, and is compatible with metal particle tape—all features that Walkman lacks. It is also a little smaller than the Sony unit, says Rick Pines, national sales training manager at Aiwa.

Benjamin Chin, the general manager of the Audio Plus hi-fi stores in San Jose, Campbell and Los Altos, Calif., says that his outlets do not stock Walkman but do handle personal cassette players manufactured by Sharp and Toshiba. The Sharp unit features an Automatic Music Select System (AMSS) that will automatically advance to the next song on a tape or back up to the beginning of the song being played. The Toshiba machine comes with a miniature radio tuner built into a cassette shell that can be inserted into the unit just like a tape. Both units are playback-only, and both are sold at Audio Plus for the same retail price: \$149.

Chin says he uses co-op dollars to



Whether you're walking, jogging, or just enjoying the great outdoors, you can take your music with you with Panasonic's portable stereo cassette player (left) or Sony's Walkman unit. Panasonic—Circle No. 254 on product card. Sony—Circle No. 255.



advertise the Sharp and Toshiba units, and keeps a couple of dozen of each item on hand at each of his stores. That inventory, he says, turns over about every 45 days.

Audio Plus does a brisk business in personal stereo units all year round, Chin says, because of the outdoor kind of life that people live in California. But Lenge Morgan, owner of Audio Electronics in Overland Park, Kans., says that his store hasn't been affected much by the pocket stereo boom.

Personal hi-fi, Morgan says, is a "very minor thing in this county. We don't have many joggers, and no roller skates at all." Morgan says he does sell personal hi-fi units, "but they're just part of our accessories department—nothing spectacular." He adds: "There's not enough profit in them to advertise them much. You'd have to sell 100 of them to make the profit you'd make on 10 big-ticket sales."

Gary Thorne, executive vice president of Team Electronics in Minneapolis, says that his store had sold a lot of micro-portables through the winter. "Even though it gets cold in Minnesota," he says, "people don't stay inside. They go outside—to skate, to ski, to participate in all kinds of winter sports." And you don't even have to go outdoors to use personal stereo units, Thorne observes. "I've seen a lot of them on airlines; I've seen executives pulling them out of their briefcases to listen to what they wanted to listen to. This product is made for an active public. In a mobile society, it's a great idea."

Thorne says that Team sells Sony's Walkman, plus units made by Panasonic, Sanyo and Technidyne.

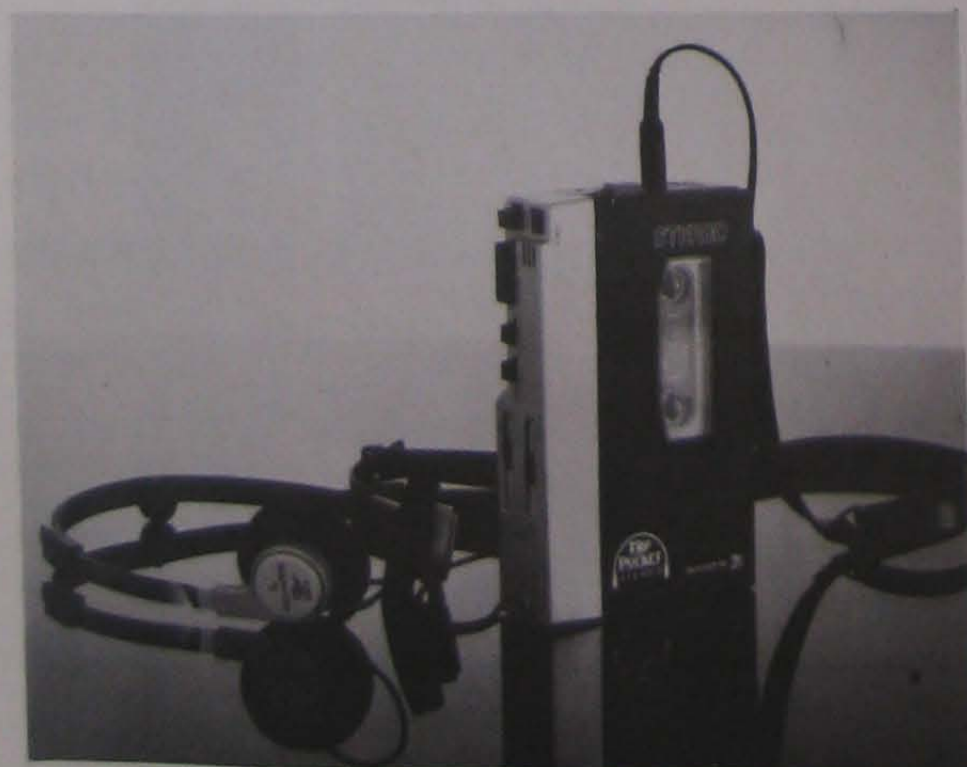
Technidyne calls its pocket tape player the Hip Pocket Stereo (HPS) 100. The unit carries a suggested retail price of just \$99.95, including

a pair of collapsible headphones, a belt clip and a shoulder strap. "Personal and portable stereo products will be a hot product category for the 1980s," says Andy Andros, the company's president.

Rick Gibson, national sales manager of KLH, agrees: "The portable cassette player field is extremely hot right now." KLH recently introduced a \$199 featherweight cassette player equipped with headphones and a snap-in FM module. The unit, called the Solo, also features dual flywheel drive.

Infinity Systems also has a new personal cassette unit, called Intimate Stereo, which offers Dolby noise reduction and an optional slip-in FM tuner module. Tom Frisina, vice president of sales at Infinity, calls the product "the only true audiophile personal stereo" introduced to date. Its suggested retail price is \$229.

Craig recently introduced a new



Technidyne's Hip Pocket Stereo units start at \$99.95 suggested list, with collapsible phones included—Circle No. 256 on product card.



The Craig Soundalong stereo cassette player retails for a suggested \$99.99, including fleaweight phones and a weather-resistant carrying case—Circle No. 257 on product card.



Mura's Hi Stepper mini-radio—Circle No. 258

personal cassette player, the Sound-along, which retails for a suggested \$99.95. The Soundesign Music Mate, another new mini-portable player, carries the same suggested price. Koss has announced that it will soon enter the field with a new AM/FM receiver designed to go with its featherweight Sound Partner headphones. And Mura has just begun marketing a featherweight AM/FM stereo radio, the Hi Stepper, which has a suggested retail price of under \$70, including samarium cobalt phones.

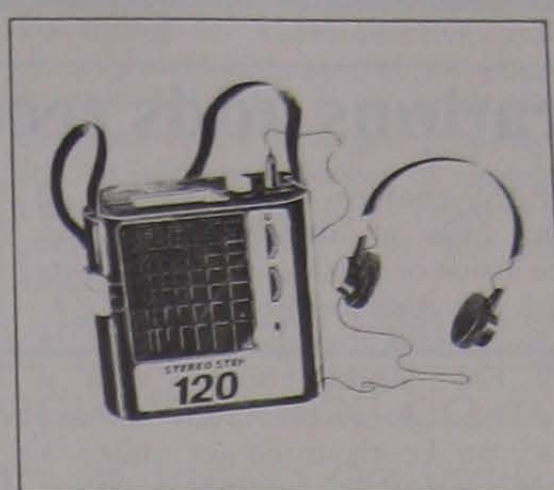
At the 1981 Winter Consumer Electronics Show in Las Vegas, Mego introduced the Stereo Step 120, a mini-portable stereo cassette player that comes complete with headphones at a suggested retail price of \$59.95. Neil Werde, marketing manager at Mego, says that the Stereo Step "provides great sound and gives the consumer a remarkable value."

In addition, says Werde, an unusual option is available: a pair of separate stereo speakers that retail for only \$9.95 a pair and come with an AC adapter. The adapter allows the entire system to be plugged in and used in the home.

The Stereo Step is compatible with both standard and chromium tape formulations, Werde says. He says that the system is Mego's first entry into the field of audio.



Infinity Intimate Stereo—Circle No. 259



Mego's \$59.95 Stereo Step Radio—Circle No. 260



Calfax's Caprice Walk-A-Round tape player—Circle No. 261

Now there's hardly anyone Hanimex won't turn on.

HDR 1300 COMPANION AM/FM CLOCK RADIO. Great travel companion, only 6 1/4 x 3 3/4 x 1 inch thin. Battery-operated. LCD clock display. Push button sets date, time & alarm-off. Snooze bar. Wrist strap, soft case, earphones.



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HDR 1170 AM/FM LCD CLOCK RADIO. Battery-operated. Push button sets time and alarm-off. Sleep feature plus snooze button. Soft travel pack case.

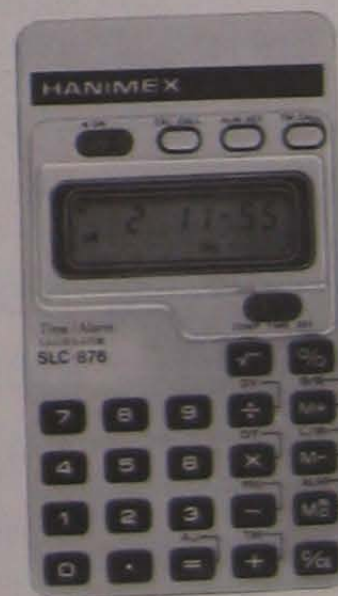
DUAL TIME TRAVEL ALARM CLOCK. Keeps time in two zones. Quartz accuracy. Built-in night light, electronic beep, snooze button. 4-1/2" x 1-7/8", pouch and battery included.



HAQ 100 QUARTZ ALARM CLOCK. Battery-operated, compact (3"x2 1/2") for home, office, travel. Electronic beep alarm. Push-button dial light, luminescent hands.



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Circle No. 17 on product card

LEISURE TIME ELECTRONICS, Spring 1981 35



Bone Fone's stereo sound you wear around—Circle No. 262

Cobra Communications adds receive-only telephone

CHICAGO—The Cobra Communications Product Group of Dynascan adds a receive-only model, the CP-15S, to its line of cordless extension telephones.

The CP-15S cannot be used to make outgoing calls, but can receive any incoming call and has almost all of the features of other Cobraphones, says Dennis Burke, the company's general sales and marketing manager. "It fills out our line with a model that lists for considerably less than our other Cobraphones," he adds. Suggested retail price of the unit is \$99.95.

"Since in most instances, it is the incoming call that is missed when you are away from conventional phones," Burke explains, "the new

CP-15S enables you to receive all such calls, no matter whether you are inside or outside your home—as with our other cordless phones."

Burke says that the CP-15S is "a full FM duplex phone" with a trimline-style receiver and a base that can be mounted on either a table or a wall. Its controls include a talk/standby switch, a high/low volume switch, a power switch on the hand unit, a call pushbutton on the base unit, and LED indicators on the base unit that tell when the phone is in use, when the power is on, and when the batteries are charged.

Cobraphone—Circle No. 246 on product card



Cobraphone Model CP-15S is a remote, cordless telephone with receive only capability.



U.S. Tron phones feature Melody on Hold.

Pushbutton phone holds party with melody

BOHEMIA, N.Y.—U.S. Tron offers Melody on Hold, a pushbutton telephone that holds your party with melody.

The Melody on Hold phone features an LED hold light, last number redial, mute control, conventional or speed dialing, tone ringer with on/off setting, and superior sound quality—and needs no installation; just plug it in.

No external music or power source is needed to use Melody on Hold. To release the melody, simply lift the phone or any other extension and continue the conversation.

U.S. Tron's Model DJ-10H features number automatic dialing systems that allow you to store up to 10 frequently dialed calls. Each number can be up to 16 digits long. To dial, just press a button and the DJ-10H does the rest. No external power source is required—the memory is right in the phone. This model also features Melody on Hold.

Melody on Hold—Circle No. 218 on product card

DJ-10H—Circle No. 219 on product card

ITT Ultra 80 slides open to engage line

CLARK, N.J.—The new one-piece Ultra 80 telephone is offered by ITT Personal Communications.

The most unique aspect of the Ultra 80 is the way it goes on and off the hook, says the firm. To use it, the caller slides the phone open, extending it to a comfortable length. This action engages the line and obtains a dial tone. To hang up, the caller simply slides the telephone closed.

The Ultra 80 has Tel-Pulse dialing, a pushbutton dialing system that can operate on both rotary and touch dialing systems. This feature gives consumers the advantage of pushbutton dialing without the expense of touch service, says ITT. It also makes the telephone applicable for use in all areas, including regions where pushbutton dialing is not currently available.

Other features of the Ultra 80 include memory re-dial and an on/off switch for the ringer.

By pushing the button marked Redial, the caller will automatically dial the last number called. The on/off switch for the "pleasant-sounding ringer" controls the phone's bell. Additionally, a line

access button obtains a dial tone without hanging up, and a 14-foot fully modular line cord is detachable both from the phone and the phone jack. The phone is available in two decorator colors.

Ultra 80—Circle No. 206 on product card



The one-piece, all electronic Ultra 80 telephone slides open to engage the line and obtain a dial tone.

Audio-Technica stereophones are 'fatigue-free'

STOW, Ohio—Ultralight stereophones which combine audiophile performance with near weightless comfort have been introduced by Audio-Technica.

The headphones each weigh less than 2 ounces and were designed for portability and fatigue-free listening at home.

Designated the ATH-0.1 "Point 1," ATH-0.3 "Point 3" and ATH-0.5 "Point 5," the stereophones are reportedly ideal for use with low-power, portable radios and tape players while jogging, biking, skiing and relaxing at the beach.

The firm employed low-mass, samarium cobalt magnets in developing the lightweight driver with high sensitivity. An extremely thin

polyester film diaphragm, which improves transient response and maintains low distortion, was also used. Headbands are stainless steel for strength, and other critical parts are constructed of metals and high impact resins.

Ultralight Stereophones—Circle No. 172 on product card



Audio-Technica headphones

Aiwa introduces stereo cassette

MOONACHIE, N.J.—"Pocket Deck" is a super-light stereo cassette/headphone combination from Aiwa America that is similar in size and weight to a paperback book.

In addition to stereo playback, Model TP-S30 can record in stereo from live sound sources or tape decks and amplifiers with an optional CM-30 one-point stereo microphone or CW-110 connection cord. For dictation or taping lectures, it can be used as a monaural cassette recorder with a built-in microphone.

Other features are chrome/metal playback switch, monitor capability during recording, 3-digit tape counter, cue/review, and auto stop.

Aiwa "Pocket Deck"—Circle No. 163 on product card

Record retailers optimistic about video sales

Continued from Page 27

we do our records and tapes." He adds: "We are in a depression in the Detroit area; half a million auto industry people are laid off. Our record business is up, but video is soft—\$5 and \$10 sales are up, but \$80 sales are down. In all retail stores, big-ticket items are down."

He emphasizes, however, that "we're going to stay in the business. I think there's a market for it." And he adds that "when you walk into one of our stores, you know we're in the video business. Video covers eight to twelve feet of space on the wall, and people see the product; it's there. There are cards and posters, and there's a sign over the section: 'Video.'"

Markup averages about 25 percent, and there is a video department in every Harmony House store, Thom reports.

Mike Filbin, president of Sights N' Sounds, of Montgomery, W. Va., says his three stores are involved in prerecorded video, but "really on a limited basis right now. We're getting ready to go into it on a full-line basis probably some time this summer. Right now we only stock blank videocassettes, but we're going to put in screens and prerecorded video in all three of our locations."

Curious About Studios

Filbin says he is not sure how much of a market there will be for video movies because he doubts that many people will want to watch a movie more than three or four times. But he is curious about what the record studios will do in the field of musical video recordings. "I don't want to get into it real heavily, but want to be really on the bandwagon if it starts to move," he says. "But not far enough into it where I couldn't get out without getting hurt."

Some other record retailers expressed even more hesitancy to take the plunge into video. Stan Jaffe of Roundup Music in Seattle,

and we'll see how that goes."

Bill Golden, executive vice president of the nationwide 111-store Record Bar chain, says he has also spent a lot of time looking at the prerecorded video market "but just haven't bit the bullet yet. Within the next couple of months we'll start experimenting with it." Golden observes, however, that "the dollar

Bud O'Shea, vice president-marketing for videocassettes and videodiscs at MCA, says he feels that prerecorded video is "a profitable business if it's managed properly. It's an additional source of income and a new product line. Video is a product for today and for the future."

Demographically, O'Shea says,

"Those dealers who advertise and do in-store merchandising of video do well."

—Ann Lieberman, Magnetic Video

commitment is great, and the dollar return is not there yet."

Dennis McCaffrey of Rainbow Record Stores in San Francisco says that three of his outlets went into the video business last May, 10 were in it by November, and the chain is getting out of video now. "The video business is a lot different from the record business," he explains. "The exchange and return terms aren't as good, the cost of inventory is very expensive, the profit margin is very low, there's a lot of inventory, and it moves very, very slowly, and it's not profitable for us. It ties up too much of our money and it hasn't given us any return on it."

A Luxury Item

McCaffrey continues: "I personally am very interested in video, and I think the videodisc will capture the market eventually. Right now, video is such a luxury item; you have to spend \$60, \$70 or more to buy a movie. When the videodisc hits the market, you may have to spend only \$20 or \$30, and I think people will be more willing to invest. I suspect that at some time we're going to get into video again, particularly the videodisc. But I think it will be two or three years away before we get into it again."

Steven Basloe, director of marketing for the Home Entertainment

video "brings into the store a person who surely owns a stereo but may not have been into a record store in some time. Time after time dealers have reported that they've increased their record sales by selling video. And for people who are aggressive, there's a lot of profit margin there. On a record album, you can make a few pennies, but you can make several dollars on a sale of a cassette. Let's look at the dollars, not at the percentages, and see how that affects your income."

Lifts Restriction

When MCA first went into the home video business, O'Shea recalled, dealers were required to stock 80 percent of the company's titles. But now that restriction has been lifted, he reports, and dealers can take any number of titles they want.

O'Shea says that MCA offers dealers a broad array of point-of-purchase materials such as posters, counter cards, displays, and giveaway catalogues. And many MCA titles are available on videodisc as well as tape, O'Shea points out.

Tremendous Opportunity

Jack Dreyer, vice president of the Consumer Products Division of Magnetic Video Corp., declares: "Our feeling is that the record retailer will have tremendous opportunities as the video market expands. But it's not expanding; it's exploding."

"Not only are new VCR customers becoming more aware of the benefits of video entertainment, but many of the prior owners of VCRs who have been using their machines primarily for time-shifting are now getting into the buying of programs and watching them at their convenience. What we are talking about is viewer-controlled television."

Many Stock Video

Ann Lieberman, Magnetic Video's Western regional manager, observes: "We've opened up practically every major record chain on the West Coast; they are now almost all carrying video." She says that Integrity Entertainment, the second largest record chain in the country, is carrying her company's product in 83 of its 136 Warehouse and Big Ben stores.

Lieberman says that video is a natural for record retailers because

"they sell prerecorded entertainment, and our product is prerecorded entertainment. We feel that it is a good product for them to carry. Because the video customer is an older and more affluent customer, a dealer can attract a different and very attractive buyer by handling this product category, and can increase sales of records—classical and jazz records, for example—as well as selling video. We find that those record dealers who are advertising and doing effective in-store merchandising of video are doing good business."

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MODEL DJ-1H

If you have extensions, you've probably left the hook off more times than you care to remember.

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While your caller is on hold a bright electronic melody is heard.

Other Features:

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- superior sound quality
- no installation, just plug in



Circle No. 18 on product card

"We're looking at it very closely, and it will happen but it's still a little early."

—John Grandoni, Cavages

which has 60 record-store and department-store outlets, says: "We're not in it at this time. We're constantly monitoring it, but have no idea when we'll do it. Before we do it, prices are going to have to come down, and it's going to have to have more mass appeal than it currently has."

John Grandoni of Cavages, a 12-store chain in Buffalo, comments: "At present we are carrying blank videocassettes, but not prerecorded video. We're looking at it very closely, and it will happen, but it's still a little early. However, we have just signed an agreement with Atari to carry videogames. The economy is still soft in Buffalo. Our first step will be with videogames,

Division of Columbia Pictures, contends that the time for the record dealer to get into video is now. "The record stores are getting involved," he says, "and I think they find it to be a very complimentary product line for them to handle."

Basloe adds: "We've had excellent sales, and everyone has had a fairly healthy profit margin, so the product is moving. We offer a return policy, and therefore people do have the opportunity to exchange goods. We never overload; we don't require a dealer to take any specific number of pieces. He takes what he needs, and that's it. I'm not aware of anyone who's felt overburdened by our program."

Can-Am Video offers new tape labeling kit

CHATSWORTH, Calif.—Can-Am Video Supply Co. offers the Video Organizer, a complete labeling kit for blank tapes.

Each Video Organizer kit contains 20 vinyl sleeve covers that adhere to the Beta or VHS jacket sleeve and 2 sheets of vinyl lettering and decorator borders. The kit also includes a stay-put-guide for centering and a special lettering tool for positioning. Video Organizer comes in a range of decorator colors and has a suggested retail price of \$5.99.

Video Organizer—Circle No. 171 on product card

BASF redesigns cassette packaging

BEDFORD, Mass.—BASF has introduced a new cassette housing for its audio cassettes as well as a new colorful and informative blister pack for its Professional I and II cassettes.

A precision-made, high-quality shell with a large-window design for increased tape visibility, structural integrity and consumer appeal is now offered on all BASF tapes. Additionally, the firm reports its Professional and Performance Series cassettes now carry a "Guarantee of a Lifetime."

The guarantee states: "Should any BASF cassette ever fail, except for abuse or mishandling, simply return it to BASF for a free replacement."

The new blister cards for the



BASF Professional II

Professional I and II cassettes are described as both "self-selling" and "educational" by BASF. The cassettes can now be easily displayed on racks, thus reducing demand for a salesman's time.

Each card bears the slogan, "For the best recording you'll ever make," plus a description of BASF's Guarantee of a Lifetime. The reverse side shows an exploded drawing of the firm's large-window, high-precision cassette, and descriptive material on each cassette in the line designed to help the purchaser match a tape to his recording needs.

New Housing—Circle No. 173 on product card
Blister Packs—Circle No. 174

Tape Library stores 168 cassettes

ST. LOUIS—Up to 168 VHS or Beta videocassette tapes can be filed and stored in a new VCR Tape Library introduced by Gusdorf.

Double doors do double duty, holding 27 tapes each, and three interior shelves provide abundant room for stacking and organizing the remaining collection. And the unit has been designed to offer more than storage for tapes. Its dimensions are proportionate to most VCRs so that the top surface is an ideal spot for equipment.

The unit features a walnut vinyl veneer with a Rendura coating which withstands stains and scratches. Brass door pulls add the right accent and are the only visible hardware. The unit can be portable, riding on casters, or has the option



Gusdorf Tape Library

to be a more permanent home furnishing with stationary glides.

Tape Library—Circle No. 216 on product card

TDK Electronics to begin Super Avilyn Beta deliveries in spring

GARDEN CITY, N.Y.—TDK Electronics will begin delivery this spring on its Super Avilyn Beta L-750 videocassette, which provides up to 4½ hours of recording and playback time in the Beta III mode.

The particle binding system of the tape is improved, the firm states,

and a newly developed thin-film tensilized polyester base is used to maximize strength. An addition to the TDK L-250 and L-500 lengths, the L-750 lists for \$24.

TDK—Circle No. 162 on product card



TDK's line of Super Avilyn Beta tapes.

Video Information Systems disc calculates recording time used

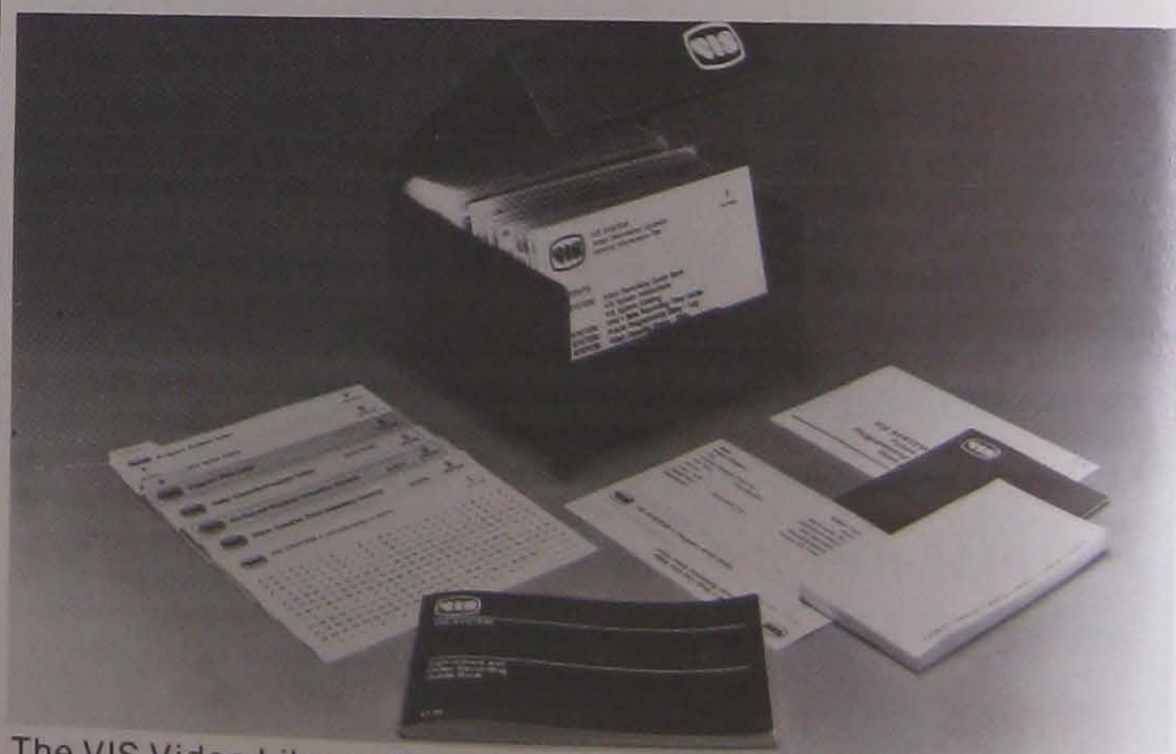
NEW YORK—Video Information Systems introduces its Dial-A-Time disc calculator and VIS I and VIS II videocassette library cataloguing systems.

The Dial-A-Time disc calculator is designed to provide consumers with as much as 30 percent more recording time on each videocassette owned. By setting the machine counter number on the disc, the amount of recording time used and remaining appears in the disc's window, for each of three VHS or Beta-format recording speeds.

The VIS Video Library Organizer

system, available in Series I or II, consists of a series of forms, planning guides, and indexing materials that allow consumers to maintain an effective reference and retrieval track for as many as 400 video programs, depending on the Video Information System series employed. Reorder forms allow the consumer to expand the system as the library grows.

Disc-A-Time—Circle No. 300 on product card
Library Organizer—Circle No. 301



The VIS Video Library Organizer

RKO introduces ColorChrome tape

WEST CALDWELL, N.J.—RKO Tape Corp. introduces ColorChrome, a new videotape offered in Beta and VHS formats.

Beta cassettes in L-250, L-500, and L-750 lengths are available now. VHS production will begin shortly.

ColorChrome is a true chromium dioxide tape and not a so-called "chrome-equivalent," notes the

firm. Packaging is colorful and unique, featuring a special internal sleeve to protect the cassette during home storage. The package is also designed to be displayed in a number of positions: vertical, horizontal or on its side, making it easier to display in limited space.

ColorChrome—Circle No. 199 on product card

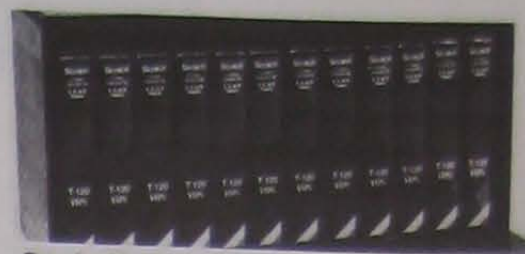
System stores VHS, Beta cassettes, video games, audio tapes

MT. CLEMENS, Mich.—Video Specialties offers a unique system for the compact and convenient storage of VHS and Beta videocassettes as well as video game tapes and audio cassettes. Called Stak-Rak, the system features interlocking storage units

that can be stacked upon each other. Each unit can hold 12 VHS or Beta cassettes, vertically positioned as recommended by manufacturers. The units are 17¼ inches by 10 inches by 5 inches.

Other models are available to fit 32 videogame tapes or 72 audio

cassettes. All models have an attractive wood grain finish and a cover that features a positive latch with lock and keys. Three units may be stacked upon each other, and the bottom unit has a rubber grid for the protection of surfaces, reports the manufacturer.



Stak-Rak—Circle No. 214



You already know our name. Now see what we're doing in floppy disks and batteries.

Right now, the home computer and word processing industry is poised to take off. And Maxell is there on the ground floor with a full line of premium floppy disks. Also consider the volume of battery-powered products now available. Once again Maxell is there with a premium battery line. Both batteries and disks with the Maxell name on them offer you awesome sales potential.

We're bringing you the advanced products and supporting them with skilled marketing and advertising know-how. We have a special

sales team dedicated to developing these new battery and floppy disk opportunities. Call us. We'll introduce you to the Maxell Special Products Division. Learn just how much the future holds for you with floppy disks and batteries.

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Quality counts in the video software market

By John Bermingham
National Sales Manager
Fuji Magnetic Tape Division

A combination of a down economy, escalating gasoline and energy costs, and the introduction of sophisticated VCRs at reduced prices, contributed to the creation of a veritable video sales explosion in 1980.

In light of these factors, what we have come to call the "stay-at-home-play-at-home" philosophy spread rapidly through American society. As a result, the industry sold some 800,000 videotape recorders and approximately 17 million blank videotapes, creating a

People are talking about video. More and more people are being exposed to video and the excitement is spreading. So, rather than the nice, steady growth manufacturers had projected, there is an explosion in video sales.

Videotape manufacturers in particular was taken by surprise. At the close of 1980 there were two

two distinct categories: premium and promotional tape. Currently there are only two or three tape manufacturers supplying a true premium product and there is little expectation that others will join their ranks, considering the complexity of the product.

Premium videotape is distinguished by superior performance,

for a superior product.

It is a dangerous practice to sell inferior videotape. Cheap cassettes not only damage a retailer's reputation but drive away customers who would likely be hardware purchasers at some point.

Once a manufacturer has established a quality image, his product no longer need compete on the basis of price alone. The trend is definitely toward premium tape. As more and more video enthusiasts buy cameras and portable units to produce their own programming, and to build video libraries, they will demand the best tape available.

Marketing in the face of a product shortage presents an interesting proposition. It is foolish to drop prices or to expand a line by adding cheap, promotional grade tape. In times like these it is wiser to stay in close contact with your supplier, determine their allocation patterns and get your share of product. Then promote it relative to your supply position.

Many dealers have chosen to promote the popular T-120 and L-500 as loss leaders. Rather than cut one's profits on the best-selling lengths, it is more rewarding to promote a quality image. Use point-of-purchase materials to emphasize the importance of quality software. Learn about the performance characteristics between brands so you can train your salespeople to step customers up to premium videotape. Strive to sell a case of tape with every VCR, or work promotions around VCRs to guarantee substantial tape sales.

Rather than straight price-cutting, sell full cases of tape by offering 10 tapes for the price of nine. It is important to maintain a profitable price level today so that when tape becomes plentiful consumers will continue to ask for the premium brands and will pay the price. And beware of knock-offs and out-and-out forgeries of popular brands. Selling these will only destroy your reputation and drive away angry customers.

As the video industry matures, price differences will become firmly established, much as they have in the audio tape market. There will be stiff competition between premium brands and between promotional grade products. But dealers who wish to build solid reputations and consistent profits should look to the premium market.

Retailers should turn to manufacturers for help in educating salespeople and consumers alike, to help develop customer confidence and loyalty, and to help promote their brands. Tape sells itself in times of shortage but when it becomes readily available it will be up to the retailer to carry the ball.

Product knowledge, consumer education and effective sales aids are the keys to success. Savvy retailers will prepare now to translate competitive prices, premium products and solid merchandising techniques into continuing profits from videotape sales.

"Consumers trying to beat the high cost of living will continue to turn to the VCR."—John Bermingham, Fuji

million VCRs in American homes when manufacturers had expected a total of 1.5 million units. We, and other blank tape manufacturers, anticipated a rapid acceleration in hardware sales after 1981. To deal with this increased demand most of the major suppliers, Fuji included, will have new production facilities coming on line this year.

The Software Shortage

There should therefore be an easing of pressure on tape suppliers by the fourth quarter. However, should the pace of VCR sales exceed the projected 1.2 million units for 1981, it is altogether possible that software companies will once again find themselves hard pressed to meet the demand by early 1982. Industry experts are busily gazing into their crystal balls trying to determine whether they will again have to expand production next year.

But at the same time one must also consider certain other factors. As a supplier of one brand of videotape, we expected that other manufacturers would make adequate supplies available so that we would not have to expand production beyond a certain point. However, the quality of some software brands has not lived up to the consumer's expectations and this has placed more pressure on the few suppliers of premium videotape.

As the role of the VCR continues to expand, consumers will demand the best possible performance from their hardware. This means increased demand for premium videotape, as well as maintenance products and accessories. It also has the effect of splitting the market into

as well as corresponding higher prices in most cases. We offer only one product, called "fine grain Beridox." Other manufacturers use the "high grade" label for their premium product. These tapes provide superior recordings, better color saturation, expanded audio sensitivity, fewer dropouts, as well as longer tape life and less head wear.

It is interesting to take note of the rise of the video head cleaning cassette. From a purely technical point of view, a head cleaner should not be necessary, provided one uses a quality tape. In practice, however, consumers are not always guaranteed of the quality of the tape they purchase. Pre-recorded software is a particular problem. Tape quality can range from excellent to horrendous.

The Quality Question

Retailers like to carry cleaning cassettes and kits because they help video enthusiasts develop confidence in their ability to maintain their VCRs. A consumer need not take his machine in for servicing at the first signs of picture snow or head clogging. A head cleaner will generally solve these simple problems, which makes the retailer look like a hero. The sale of a head cleaner also signals the opportunity to sell premium videotape which will not deposit debris and oxide on the recording heads.

Many dealers have indicated that they would rather step a customer up to a premium tape because the next sale is much easier to make. This approach helps to develop trust between consumer and retailer. And, the pleased customer will rarely object to paying a little more



John Bermingham

shortage of tape in the marketplace.

Last year consumers decided it was more economical to entertain themselves at home and there is no reason to foresee a change this year. Consumers trying to beat the high cost of living will continue to turn to the VCR which offers them a greatly expanded choice of televised programming, as well as pre-recorded software. Our surveys indicate that VCR time-shifting has greatly accelerated, as has the sale of pre-recorded software. VCRs provide a greater perceived value to consumers than many expected and they have been utilized to a greater extent than anyone could have anticipated.

The Video Explosion

Video has become a very visible force. Manufacturers are putting more advertising muscle behind it.



Really Big Show: RCA introduced its new video disc system via satellite to some 14,000 dealers and their guests gathered in 75 locations coast-to-coast in February. At left, dealers file into NBC's historic Studio 8H in New York (where the broadcast originated) to hear RCA chairman Edgar Griffiths, executive vice presidents Herbert Schlosser and Roy Pollack and group vice president Jack Sauter. NBC's Tom Brokaw moderated the RCA spectacular.

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Spring 1981 issue—mail before May 15, 1981

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NAME _____

TITLE/FUNCTION _____

COMPANY _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

Please circle the category which best describes your business:

- | | | |
|------------------------|------------------------------|----------------------------------|
| 03-Variety | 17-Mfrs.' Rep. (Games) | 27-Mfr. Electronic Components |
| 04-Discount | 18-Mfr. (Electronics) | 28-Computer Store |
| 06-Drug Store | 19-Mfrs.' Rep. (Electronics) | 29-Electronic Game Store |
| 07-Hardware Store | 20-Military Post Exchange | 30-Electronic Distributor |
| 09-Dept. Store | 21-Mail Order Company | 31-Manufacturer, Video Equipment |
| 12-Trading Stamp House | 22-Photo, Record, Tape | 32-Electronic Component Dist. |
| 14-Catalog Showroom | 23-Electronic Game Dist. | 34-Audio Video Store |
| 15-Resident Buyer | 25-Radio, TV, HiFi Store | 99-Other: _____ |
| 16-Mfr. (Games) | 26-Appliance Store | |

Circle your approximate annual retail volume.

- Under \$100,000 \$100,000-\$250,000 \$250,000-\$500,000
- \$500,000-\$1,000,000 Over \$1,000,000

I wish to continue receiving Leisure Time Electronics _____ yes _____ no

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481	482	483	484	485	486	487	488	489	490	491	492	493	494	495	496	497	498	499	500

NAME _____

TITLE/FUNCTION _____

COMPANY _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

Please circle the category which best describes your business:

- | | | |
|------------------------|------------------------------|----------------------------------|
| 03-Variety | 17-Mfrs.' Rep. (Games) | 27-Mfr. Electronic Components |
| 04-Discount | 18-Mfr. (Electronics) | 28-Computer Store |
| 06-Drug Store | 19-Mfrs.' Rep. (Electronics) | 29-Electronic Game Store |
| 07-Hardware Store | 20-Military Post Exchange | 30-Electronic Distributor |
| 09-Dept. Store | 21-Mail Order Company | 31-Manufacturer, Video Equipment |
| 12-Trading Stamp House | 22-Photo, Record, Tape | 32-Electronic Component Dist. |
| 14-Catalog Showroom | 23-Electronic Game Dist. | 34-Audio Video Store |
| 15-Resident Buyer | 25-Radio, TV, HiFi Store | 99-Other: _____ |
| 16-Mfr. (Games) | 26-Appliance Store | |

Circle your appropriate annual retail volume.

- Under \$100,000 \$100,000-\$250,000 \$250,000-\$500,000
- \$500,000-\$1,000,000 Over \$1,000,000

I wish to continue receiving Leisure Time Electronics _____ yes _____ no

Signature _____ Date _____

Leisure Time Electronics

Please enter my subscription to:

1 Year: \$14 _____ 2 Years: \$20 _____ 3 Years: \$25 _____

Foreign. 1 Year: \$40 _____ Airmail: \$90 _____ Single Copy: \$1.50 _____

Bill me _____ Check enclosed _____

NAME: _____ TITLE: _____

COMPANY: _____

ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

IMPORTANT: Please check the category below which best describes your business.

- | | |
|------------------------------|----------------------------------|
| 03-Variety | 21-Mail Order Company |
| 04-Discount | 22-Photo, Record, Tape |
| 06-Drug Store | 23-Electronic Game Dist. |
| 07-Hardware Store | 25-Radio, TV, HiFi Store |
| 09-Dept. Store | 26-Appliance Store |
| 12-Trading Stamp House | 27-Mfr. Electronic Components |
| 14-Catalog Showroom | 28-Computer Store |
| 15-Resident Buyer | 29-Electronic Game Store |
| 16-Mfr. (Games) | 30-Electronic Distributor |
| 17-Mfrs.' Rep. (Games) | 31-Manufacturer, Video Equipment |
| 18-Mfr. (Electronics) | 32-Electronic Component Dist. |
| 19-Mfrs.' Rep. (Electronics) | 34-Audio Video Store |
| 20-Military Post Exchange | 99-Other: _____ |

Circle your approximate annual retail volume.

- Under \$100,000
- \$100,000-\$250,000
- \$250,000-\$500,000
- \$500,000-\$1,000,000
- Over \$1,000,000

Date: _____

BUSINESS REPLY MAIL

FIRST CLASS PERMIT NO. 239 DARIEN, CONN.

POSTAGE WILL BE PAID BY ADDRESSEE

LEISURE TIME ELECTRONICS
P.O. BOX 3
WINCHESTER, MASS. 01890

NO POSTAGE
NECESSARY IF
MAILED IN THE
UNITED STATES

BUSINESS REPLY MAIL

FIRST CLASS PERMIT NO. 239 DARIEN, CONN.

POSTAGE WILL BE PAID BY ADDRESSEE

LEISURE TIME ELECTRONICS
P.O. BOX 3
WINCHESTER, MASS. 01890

NO POSTAGE
NECESSARY IF
MAILED IN THE
UNITED STATES

BUSINESS REPLY CARD

FIRST CLASS PERMIT NO. 239 DARIEN, CONN.

POSTAGE WILL BE PAID BY ADDRESSEE

Leisure Time Electronics
P.O. Box 1226
Darien, Conn. 06820

NO POSTAGE
NECESSARY IF
MAILED IN THE
UNITED STATES



Cassette heads determine video quality

If it is true that tape will continue to be the most popular video recording medium, we had better pay attention to the technical advances that are here today and will occur in the future. Ease of recording seems to assure tape its continued dominance so we should proceed with confidence that tape machines are going to get more interesting than they are today.

One of the hot items of interest is the discussion of the number of tape heads on a video cassette recorder (or VCR). You certainly should ask, "Why two or four heads?" Probably you should even ask, "Why more than one head at all?" Let's cover both subjects by comparing VCRs to an ordinary audio tape cassette player.

The audio cassette player uses 1/8-inch wide tape that is driven past a stationary head, made of coils of wire wrapped around special metal cores. It senses the tiny variations in the magnetic properties of each area of the passing tape and converts those variations into a series of signals which are amplified to make the sounds of speech or music or whatever has been recorded. The head is interested only in the changes in the magnetic properties of the tape from one area to the next. So, if the tape doesn't move, there are no changes and no sounds even though the tape is still in contact with the head.

One other bit of theory; the faster the tape moves past the head, the more magnetic changes the head reads in a given period of time. This means more signals are read per period of time, which gives a richer, more complex sound and higher fidelity. However, the faster the tape moves the faster you use up your cassette, so you want to keep the speed to a minimum. The standard tape speed is a compromise of these and other factors to try and give the best of both worlds. That is a quickie coverage of audio tape heads and tape speed.

Video tape recording and playback devices are another matter. The signals read from the tape must include video as well as sound. In addition, the speed (frequency) of the signals for video is much greater than for sound. The result is that, in order to do video, an audio type of tape machine would have to run at enormous speeds with huge reels of tape presenting terrible design problems. However, invention has come to the rescue and a technique was developed where the read head moves on its own in addition to the motion of the tape. Specifically

the solution was to use a much wider tape (1/2-inch or 3/4-inch are examples) moving at a reasonably slow speed and let a rapidly moving head read shallow diagonal slashes across the width of the tape.

To visualize the mechanical elements of this system, let us change the scale greatly and use some artistic license. We will imagine that the tape is a large wire fence partially encircling a parked helicopter with spinning rotor blades. The fence starts out just below the level of the blades and gradually spirals up off the ground for half a circle around the outer path of the blade tips until it is above the blades. Also imagine that tape heads are mounted on the tips of the rotor blades, therefore, as the tip of the blade travels a half revolution, it moves along the surface of the fence, tracing a shallow diagonal from

one edge of the fence to the other. If you further imagine that the fence is really a guide for an enormous tape, that is continuously spiraling up along the inside of the fence and that this is a two-bladed helicopter rotor with a head on each tip, then the analogy becomes more complete. The head on one tip of the rotor traces a diagonal path along the "tape" until it leaves the tape half a revolution later. Just as it leaves, the other head on the second tip begins to contact the tape. However, since the tape is moving, the contact is on a different path from the previous head. This process is repeated over and over with each head tracing a new path. At any point in time, one head or the other is always in contact with the tape. Using this scheme, the heads are moving at high speed across the tape surface to read the high frequency signals necessary for video, but the tape itself is moving at a relatively slow speed. In fact, if you stop the tape you still get signals, because the heads are still moving and read the same thing over and over, giving a stationary picture. To return back to reality, shrink our analogy down to a 1/2-inch wide tape and a 3-inch diameter rotor and you get an idea of the mechanism of the regular VCR machine and why it has two heads.

Since the picture is stationary when the tape is stopped and active when the tape is moving, the speed of the tape does have some effect on picture quality. The slower the tape, the lower the quality. However, there is a demand for very long play (which means very low tape speed) so some compromise between quality of picture and length of play are necessary in the extended play mode. One way to improve this quality is to use a different set of heads at low tape speeds. To do this in our helicopter analogy, we make the two blade rotor into a four blade rotor or a four head rotor. We then use one pair of heads for normal tape speed and one pair of heads for low speed extended play. This system improves the video quality of both normal and extended play modes since neither mode must be compromised for the other.

Conceptually, the system of four heads seems to be well worth the added cost. In practice, the verdict must be left to the viewer to determine whether the VCR manufacturer has taken advantage of the opportunity to improve the video quality. —Jay Smith III

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Circle No. 23 on product card

Jay Smith III is founder and president of Smith Engineering, Santa Monica, Calif.

Trade groups work to create viable market

By Kathleen Lander

A new trade organization for the electronics industry, the Association of Appliance and Home Entertainment Distributors, is beginning activities this spring and is the third group formed within the past year to serve segments of the consumer electronics business. The other new groups are the LaserVision Association and the National Association of Computer Stores.

Education, often through meetings, seminars, and workshops, gets lots of attention, focusing on a current topic of interest or on some aspect of how to run a business. "Most of our members are relatively new in the business of retailing, and they want information on all aspects of small business management," points out Steven Koerner, executive director of the National Association of Computer Stores. Publications, check lists and specialized training courses supplement other educational activities for owners and employees.

Disseminating information to consumers is the principal purpose of the LaserVision Association, formed



EIA's Consumer Electronics Group sponsors one of the larger trade shows, the semiannual Consumer Electronics Show.

fically to meet an individual request, for all segments of the industry, including retailers, manufacturers, wholesalers, distributors, and reps.

Only two of the trade organizations, the Electronic Industries Association and the American Electronic Association, attempt to

cover the entire electronics spectrum, both consumer and industrial. The others orient their activities to segments of the industry, such as tape, toy, or video, or to types of businesses in the broad divisions of wholesale, retail, or rep. Some are limited to firms in the electronic industry, and others cover all types of businesses.

Lobbying, for or against proposed bills and regulations, heads the list of activities common to most of the groups. Many maintain a regular spokesman in Washington, DC. Nearly all send people as needed to

testify, negotiate, or make sure that the members' collective point of view is aired in the appropriate places.

Trade contacts and exchange of information with people in the same business are another important aspect of association activities. "Associations are formed and people join for two main reasons," notes Henry Brief, ITA executive vice president, "bringing together people with common interests, and the strength that comes from unity."

Helps Retailers

"NARDA membership is valuable to use principally because with it we get a lower percentage on Master Charge and VISA charges," comments Steve Shendelman of Data Domain in Schaumburg, Ill., while help in educating distributors and retailers about new video products is one of the expectations Jack Dorrance, Dorrance Supply Co. in Youngstown, Ill., has for the new distributors' association.

"The seminars on vital topics will help us to educate ourselves and our dealers on the new world of electronics, which is strange to most of us, and will help us to find out about VCRs and videodiscs," Dorrance explains, adding that "we'll also gain savings on group insurance and possibly data processing."

"Seminars help us educate ourselves and our dealers."—Jack Dorrance, Dorrance Supply Co.

last November, while other groups include consumer education about products and their use among other projects.

Still more directions for trade association activity are market research, agreement on standards for the industry, and anything that may strengthen or promote growth of the members' business interests.

Most of the trade association programs and publications are available to members only, but some allow non-members to participate or obtain copies at slightly higher fees than members are charged.

Benefits Vary

The benefits to a particular company or store from membership in a trade association vary with the needs of the member and with the effectiveness of the group's programs, although most of the "how to" publications and sessions are developed with resources far greater than any available to individuals.

"The benefits are directly commensurate with the skill, goals, and objectives of the trade association. If it has competence and compatible goals, joining is a wise thing to do," observes Bernie Mitchell, president of Advent Corp. and a former president of the Institute of High Fidelity, which now is a part of the EIA.

The new organizations bring the roster of electronic trade groups to nearly 20, all emphasizing the strength that comes from unity in dealing with matters affecting their members. They offer a wide range of services, some tailored speci-

Trade groups serving the industry

Here is a brief profile of the trade associations which invite participation by members of the consumer electronics industry:

American Electronics Association
2600 El Camino Real
Palo Alto, CA 94306 415-857-9300
E.W. Ferrey, president
Lawrence L. Mayhew, chairman

Serving both consumer and industrial electronics firms, including software producers, American Electronics Association emphasizes its presence in Washington, D.C., on tax, trade, and industrial innovation issues. It also conducts a series of wage and salary surveys on a national basis and other surveys in industrial relations and financial areas. Programs on management education are offered.

Unusual for a trade group, this one has no regular shows or conventions. It was founded in 1943 as WEMA (Western Electronic Manufacturers Association), became national about 10 years ago, and changed the name in 1978. There are 1,600 members, plus associate members who provide financial or legal services to the industry.

American Video Association
1050 East Southern, Suite C-3
Tempe, AZ, 85282 602-967-3172
John Power, executive director
Linda Mendenhall, executive assistant

For video retailers only, this new organization publishes a monthly management newsletter, provides volume buying service, and offers programs on topics that include increasing store sales, how to do a competitive analysis, how to control flooring, and how to sell consumer equipment for commercial use.

The "form of the month" covers items such as a service agreement and tells how to use the form, and an 800 number hotline is available for answers to specific questions. Since formation last July, the association has enrolled 200 dealers in video equipment and accessories.

Association of Appliance and Home Entertainment Distributors
5105 Tollview Dr., Suite 201
Rolling Meadows, IL 60008
312-577-8350
John Drillot, president
Bud Rebedeau, executive secretary

The first trade group for wholesale distributors in the major appliance and entertainment areas, this group was formed to fill what founders perceived as a gap in services. Its aims are to help distributors improve communication with all segments of the industry.

Custom Automotive Sound Association
2101 L Street, NW, Suite 808
Washington, DC 20037
202-828-2270

Philip Christopher, president
Cheryl J. Hollins, executive director

CASA is an organization of manufacturers and retailers of aftermarket car sound products. It was formed to protect the right of consumers to choose the sound equipment for their cars rather than to take whatever products car manufacturers installed.

To date, nearly 3.5 million automobiles have been affected by CASA agreements with car manufacturers, including General Motors, Volkswagen, Toyota, and Chrysler.

Electronic Industries Association Consumer Electronics Group
2001 Eye Street, NW
Washington, DC 20006
202-457-4919
Jack Wayman, senior vice president
Lud Huck (General Electric Co.), chairman of the board and video division chairman

EIA/CEG sponsors the Consumer Electronics Shows in Las Vegas in January and in Chicago in June that attract between 50,000 and 60,000 trade participants to each event. Conferences, a Design and Engineering Exhibition, an Advertising and Promotion Showcase, an international center for several thousand foreign visitors, a retail resource center, and close to 1,000 product exhibit booths and rooms

Continued on Page 45

Trade groups serving electronics industry

Continued from Page 44
are parts of the CES schedule.

Among industry development activities, in addition to representation in the Capital, are a newsletter and supplement service for consumer editors, two motion pictures, consumer information publications and radio broadcasts, service technician training, TV news clips, export development, statistical reporting, and engineering and marketing services.

Electronic Representatives Association (ERA)
233 East Erie Street, Suite 1002
Chicago, IL 60611
312-649-1333
Ray Hall, executive vice president

ERA, which attends all major trade shows, publishes an annual directory of electronic manufacturers' representatives, and a bimonthly newsletter. A "lines available" program lists manufacturers who are seeking independent reps, and a hotlines bulletin also helps to put manufacturers in touch with reps.

Legislative activity often is coordinated with other groups. Copies of the directory, designed to help manufacturers obtain more efficient distribution through independent reps, are available upon request by sales and marketing executives in the industry.

International Television Association
136 Sherman Avenue
Berkeley Heights, NJ 07922
201-464-6747
Don Haws, president
Bobette Kandle, director of operations

A non-profit organization for professional video communicators, the purpose of this group is to give recognition to the field of television communications. Individual members can work in any industry but must be directly concerned with video communications. Chapters throughout the U.S. and Europe participate in conferences and video tape festivals.

International Tape/Disc Association
10 West 66th Street
New York, NY 10023
212-787-0910
Henry Brief, executive vice president
Larry Finley, vice president membership/events

Founded in 1970 as the International Tape Association, ITA describes itself as the world's largest international trade association encompassing the entire audio/video industry and serves as a world-wide clearinghouse for information about the audio/video industry. Through twice yearly seminars in the United States and a first European seminar in June, ITA offers both a platform and a forum

to industry executives.

Other activities include helping to form standards for industry products, marketing statistics on cassettes and other products, Golden Videocassette and Golden Videodisc certification programs, a bi-monthly News Digest, an annual source directory, a staffed office in Europe, and speaking for members on various subjects.

LaserVision Association
100 East 42nd St.
New York, NY 10017
212-697-3600
Jack Riley, chairman
Barry Reiss, secretary

Youngest of the electronics trade groups, LaserVision Association began last November with a nucleus of the first manufacturers of optical/laser videodisc players and discs. Promotion of the laser/optical technology for consumer use is its primary focus.

Consumer education and information programs will stress the compatibility of systems within the technology, and a trademark on all hardware and discs will serve to identify the technology.

National Association of Computer Stores
3255 South U.S. 1
Ft. Pierce, FL 33450
305-465-9450
Steven Koerner, executive director
Joe Slay, newsletter editor

Intended for owners and managers of retail computer stores, mostly independents, this association publishes a monthly newsletter covering finances, personnel, and other aspects of small business management. Manufacturers are associate members.

Other activities include a car rental program, legal counsel in Washington, DC, a survey on salaries and fringe benefits, and papers on subjects like employee motivation and development of a fringe benefit program. It was founded in June, 1980.

National Appliance and Radio-Electronic Dealers Association (NARDA)
2 North Riverside Plaza
Chicago, IL 60606
312-454-0944
Mickey Walther, managing director

Every phase of running a retail business comes under the NARDA umbrella. Members can obtain discounts on bank card rates, use association data processing facilities for financial records, or arrange service contract sales.

Among other services are inventory control, in-store sales training aids, and consulting.

National Association of Recording Merchandisers (NARM)
1060 Kings Highway N., Suite 200

Cherry Hill, NJ 08034
609-795-5555
Joseph Cohen, executive vice president
Joseph Simona, president of the board

Members of NARM are in the pre-recorded music industry as retailers, rack jobbers, independent distributors, and one-stops (non-active wholesalers), and associate members are record manufacturers and suppliers of goods and services.

Advertising to expand the market, an annual convention, awards for best-selling products, and industry development for projects like bar coding on pre-recorded music products are among activities. NARM also sponsors a scholarship foundation and a college credit retail management certification program for store personnel.

National Audio Visual Association
3150 Spring Street
Fairfax, VA 22031
703-273-7200
Kenton Pattie, senior staff vice president

Members are commercially engaged in the audio/visual and communications industry as producers, marketers, dealers, manufacturers, reps, commission agents, or distributors.

In addition to lobbying for items of special interest to the industry and to small business, the association distributes sales and product information, prepares seminars and studies for sales staffs, conducts market research, and prepares statements on topics such as bulk mail rates and microcomputer software copyright laws.

National Electronic Distributors Association
1480 Renaissance Drive, Suite 214
Park Ridge, IL 60068
312-298-9747
Toby Mack, executive vice president
Marty Sheridan, membership director

With a membership of 465 manufacturers of all types of electronics, about 65 percent of them industrial, this association of two-step distributors promotes the functions that distributors perform in the marketplace, provides management and sales education information for personnel of member companies, and works to safeguard members' interest in national legislation and regulation.

Member services include group insurance, discounts in several areas, and market research.

National Retail Merchants Association (NRMA)
100 West 31st Street
New York, NY 10001
212-244-8780
James R. Williams, president
Jules Steinberg, executive vice president

Aim is to help retailers and general merchandisers of all sizes to obtain more profit and production. It is a non-profit corporation representing department, chain, and specialty stores with a combined annual volume of \$125 billion. Divisions specializing in specific phases of retail operations, each staffed by experts, provide research facilities, information exchange, and individual services to members.

Special services include governmental affairs, a magazine, insurance, a correspondence course for executives, local and national seminars and workshops, and an annual convention and business equipment display.

Recording Industry Association of America (RIAA)
1633 Broadway
New York, NY 10009
212-765-4330
Stephen Traidman, executive director
Stanley Gortikov, president
1370 Avenue of the Americas
New York, NY 10019
212-582-8711

This trade group for the audio recording industry was established in 1952, and the RIAA Video division formed last year. Protection against piracy and bootlegging is a major activity, and committees also deal with copyright and tax matters.

Programs also include market research, industry statistics, Gold and Platinum awards certification, and subjects of industry concern like bar coding, freight and transportation, and engineering guidelines.

Toy Manufacturers of America
200 Fifth Avenue
New York, NY 10010
212-675-1141
Douglas Thomson, president
Walter Armatys, executive director

Sponsors of the annual American Toy Fair that attracts hundreds of U.S. and foreign buyers, the association was founded in 1916 and represents 90 percent of industry sales. Among activities are a toy safety assurance program, credit information exchange, collection service, industry statistics, and counseling on management of physical distribution and export trade.

Toy Wholesalers Association of America
66 East Main Street
Moorestown, NJ 08057
609-234-9155
William L. MacMillan III, executive director
Robert Lev, president

Principal activity of this trade group is education. Two meetings during the Toy Fair and a three-to-four-day seminar during the summer cover computerization, inventory control, selection of personnel, and similar topics.

b r o a d c a s t

Coleco to
tout new
electronics

HARTFORD—Coleco Industries plans an aggressive advertising campaign for 1981 to promote its line of electronic games and toys.

The Coleco campaign is designed to generate strong and immediate awareness and to stimulate purchase by the consumer, says the firm. The company boasts several new television commercials and notes that "our media budget is the largest in the company's history."

Coleco will continue to provide heavy media support throughout most of the year on continuing items. New products will be supported as soon as they are available and will be heavily promoted all through the fall season. The objective is to



In this Coleco Head-to-Head Boxing spot the kid takes on the champ in a grueling fight to the finish. The champ is tough, but the kid is quick. Can you guess who wins?

maximize consumer take-away on products that will have strong year-round sales and to generate

strong movement on fall product and new items.

Media buys will once again include key national sports events and the highest-rated prime-time programs the company says. The advertising program will be national, with heavy network and spot coverage. The firm's spot market of 285 markets represents 85 percent of the total U.S. households, says Coleco.

Among the items that will receive support are Head To Head Electronic Football, Head To Head Electronic Baseball, Head To Head Electronic Basketball, Head To Head Electronic Hockey, Head To Head Electronic Soccer, Head To Head Electronic Boxing, Electronic Quarterback, Total Control 4 Sports Cartridge System, Total Control 4 Football, Bowlatronic, Quiz Wiz, Quiz Wiz Challenger, Electronic Learning Machine, Magic Touch, Alien Attack and Swat Swat the Mosquito.

ITT Ultra
Phone gets
TV push

CLARK, N.J.—ITT's Consumer Specialty Products Division will continue with its recently premiered television commercial for the Ultra 80 Telephone.

According to Judy Gail May, director of Advertising, "The commercial premiered in November 1980 and we will be running it in select markets across the country in '81. Copies of the commercial are also available to our dealers if they want to use it and tag their stores."

As part of its overall consumer advertising program, ITT provides dealers with an Ad

Planner booklet that contains a story board of the commercial, radio scripts, product art, ad layouts and headlines. "These materials can be used as part of our 3 percent co-op advertising program or dealers can use them for their own advertising," says May.

In the television commercial, a customer is startled by a talking Ultra 80 which draws him to a counter display. The phone then describes its major features after which a salesman approaches the consumer. "Can I help you?" asks the salesman. "No," replies the customer, "the Ultra 80 speaks for itself."

USI launches
15 market
campaign

OWINGS MILLS, Md.—Universal Security Instruments recently launched its first television commercial campaign with spots in Miami and plans to roll out additional advertising in up to 15 key markets by early fall.

The commercials are for the company's Ultra Sonic Home burglar alarm system. Local dealers are identified at the end of each 30-second announcement.

RCA disc
gets heavy
media boost

NEW YORK—RCA is launching its SelectaVision videodisc system with a \$15 million advertising campaign, the largest in the firm's history, a budget three times as high as for introduction of its videocassette recorder. Backbone of the campaign will be three 60-second TV commercials, plus a 30-second version, which are



Viewers are introduced to the RCA SelectaVision video disc with images of movies past.

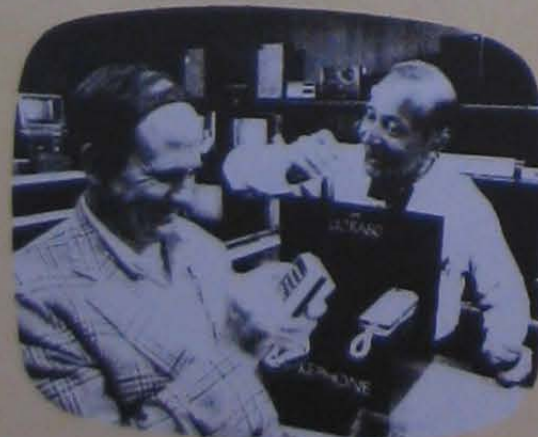


appearing on a saturation schedule on all three networks.

Two magazine ads, one a double page spread, back up the promotions on television.

The 60-second TV commercial, which has two variations, introduces the RCA Videodisc

Continued on Page 47



In ITT's television spot, a talking Ultra 80 Telephone lures an unsuspecting consumer to the counter where it makes its pitch.

print

Pioneer planning print blitz

NEW YORK—Pioneer plans an aggressive print campaign in a broad spectrum of national magazines for its line of HPM Polymer Graphite speakers.

The two-page spread, featuring the headline, "What's good for a kazoo is bad for a speaker," will appear through May in various issues of *Rolling Stone*, *Gentleman's Quarterly*, *National Lampoon*, *Oui*, *Penthouse* and *Playboy*.

The black and white ad asks readers, "Blow into a kazoo and what do you hear?" It then explains the buzzing noise produced by such an effort can be expected from a toy that costs 50 cents. "But just as the paper cone in a conventional kazoo creates a buzzing noise, the paper cone in most conventional speakers creates distortion."

The ad explains that paper

cones flex, alter in shape and "alter your music." It then extolls the benefits of HPM speakers whose cones are made of Polymer Graphite instead of paper. This innovation "reduces speaker distortion up to three-fold," claims the ad.

According to Scott Slater, advertising manager, the magazines the ad will appear in are read by readers, 18 to 34, who represent the most significant portion of the firm's business.

Slater notes, "We are trying to stress the reason for the speakers. We're the only company that can manufacture polymer graphite. It took a sizeable investment to make it. It provides a unique product difference and we want to dramatize that difference."

The campaign was developed by Scali, McCabe, Sloves, New York.

Three other print campaigns slated for this year will detail Pioneer's LaserDisc system and Syscom, Pioneer's systems offering.

One LaserDisc ad is a two-page, four color announcement

Conventional kazoo has paper cone.

WHAT'S GOOD FOR A KAZOO IS BAD FOR A SPEAKER.

Blow into a kazoo and what do you hear? A buzzing noise you'd expect from a toy that costs about 50 cents. But just as the paper cone in a conventional kazoo creates a buzzing noise, the paper cone in most conventional speakers creates distortion.

The new HPM Polymer Graphite speaker has a different sound. It's lightweight and non-resonant. So it doesn't add any of its own sound to your music.

So why buy a conventional paper speaker and limit your system's high fidelity when you can buy a Pioneer HPM Polymer Graphite speaker and improve it?

PIONEER
We bring a touch of life.

Pioneer's HPM speaker has polymer graphite cone.

Pioneer HPM Polymer Graphite.

Pioneer's HPM speakers will be touted with this two page spread in a number of major periodicals.

In hi-fi, up until now, sound was the whole picture.

Since the first hi-fi recordings, sound has been the whole picture. The hi-fi system has been the only way to experience the full range of sound. But now, with the Pioneer LaserDisc, you can experience the full range of sound and the full range of picture.

The Pioneer LaserDisc is a new way to experience the full range of sound and the full range of picture. It's a new way to experience the full range of sound and the full range of picture.

PIONEER
We bring a touch of life.

Pioneer will stress the differences between VCRs and video discs with this advertisement.

which explains "Why you should own Pioneer LaserDisc even if you own video tape." The ad is scheduled for the third fiscal quarter and will appear in *Audio*, *Video Review*, *Video*, *Stereo Review*, *New Yorker*, *Business Week*, *Playboy*, *Time*, *Sports Illustrated* and other national publications.

The ad explains, "Video tape can do things that Pioneer LaserDisc can't. But Pioneer LaserDisc can do things that video tape can't." These features, the ad goes on to say, include stereo, a better picture and longer life of the disc.

A second print ad for the LaserDisc notes, "In hi-fi, up until now, sound was the whole picture." Slated to appear at the same time as the first ad, this two-page, four-color advertisement notes "hi-fi has appealed to one sense; your hearing. The rest was up to your imagination. Now Pioneer brings you closer to the reality of performance than you've ever experienced at home: LaserDisc."

The ad notes the better picture and sound capabilities of the disc and adds, "The Future Is In Reach."

Three print ads are planned

for Pioneer Syscom. Also for the third fiscal quarter (April through June), the ads will run in *New Yorker*, *Working Woman*, *Sports Illustrated*, *Money*, *Cosmopolitan* and other national publications.

The ads stress the ease of owning hi-fi. "Finally," the ad declares, "All that's involved in owning great hi-fi is a love of music." Says the ad, "Syscom is a serious, substantial, superb hi-fi. Each component was created specifically for Syscom. And since the entire system was both built and matched by Pioneer engineers, you can't make a mistake."

PIONEER SYSCOM.
FOR THOSE WHOSE LOVE IS MUSICAL, NOT TECHNICAL.

Builds the music lover's dream world with the sound of the real thing. The Pioneer Syscom system is a serious, substantial, superb hi-fi. Each component was created specifically for Syscom. And since the entire system was both built and matched by Pioneer engineers, you can't make a mistake.

PIONEER
We bring a touch of life.

Print ad for Pioneer's Syscom.

RCA disc unveiled

Continued from Page 46

player, shows its operation, and presents scenes from several of the initial disc programs, including "John Travolta dancing on your floor, Gene Hackman driving through your living room, and The Godfather staying at your house." Viewers learn that RCA dealers now have the videodisc machine for less than \$500 and that "it's going to change the way you watch television." The commercial concludes with a song, "Bring the Magic Home on RCA." The campaign was developed by Leo Burnett, Chicago.

The network schedule calls for

appearance of the commercials on high-rated shows, including four spots on "Masada," an 8-hour mini-series.

The first print ad introduces the basic idea of the videodisc, and the second carries the headline of "Suddenly there's a lot more excitement on TV than this week's TV schedule." The copy in both ads answers basic questions on what a videodisc is, what programs are available, how the disc is different from broadcast television, how the SelectaVision disc works, and the price, plus a suggestion to "visit your RCA dealer."

To carry the TV and print ad messages to the retail floor, a specialty tailored display and point-of-sale program are in the stores.

Suddenly, there's a lot more this week's TV schedule. Introducing the remarkable

Suddenly, there's a lot more this week's TV schedule. Introducing the remarkable

RCA
We bring a touch of life.

excitement on TV than RCA VideoDisc System.

excitement on TV than RCA VideoDisc System.

RCA
We bring a touch of life.

Suddenly, there's a lot more this week's TV schedule. Introducing the remarkable

RCA
We bring a touch of life.

RCA will supplement its national television campaign with this print ad slated to appear simultaneously with the TV campaign. A second print ad is also planned for the firm's SelectaVision video disc. The copy in both ads answers basic questions on videodiscs and how they differ from television.

Bib Hi-Fi offers compact counter merchandiser

RICHARDSON, Texas—Bib Hi-Fi Accessories offers a compact merchandiser to provide storage for the complete line of Bib Videophile Edition products and allow customers to choose requirements from one place.

The merchandiser holds the Bib Video Recorder Maintenance Kit, head cleaning tools, tape eraser, fluids for cleaning the screen and the camera lens, the Dust Away Air Blast for clearing deposits around the tape travel path, and a tape head demagnetizer.

Bib Videophile merchandiser—
Circle No. 167 on product card



Bib's video maintenance products are easily displayed with this compact merchandiser.

Magnetic Video launches Dealer Advisory Council

FARMINGTON HILLS, Mich.—Magnetic Video recently launched a Dealer Advisory Council and held its first meeting here at the company's headquarters.

The Council met with five charter members—Weston Nishimura, Video One, Seattle; Carl Forrest, The Movie Store, Framingham, Mass.; Denis Thomas, Thomas Video, Royal Oak, Mich.; Craig Curtwright, Video of Texas, Dallas; and Mike Weiss, That's Entertainment, Chicago—and Magnetic Video executives Jack Dreyer, vice president Consumer Products Division, and Robert Cook, national sales manager.

The group met for a full day and discussed the many aspects of merchandising video entertainment programs. Topics included Magnetic Video's advertising program, its point-of-purchase materials, dealer support and the rental issue.

Dreyer notes his firm is "concerned with establishing a continual flow of information to its dealers. We want to find out what works and what doesn't in their stores, and make it as easy as possible to bring the benefits of video entertainment freedom to the consumer."

Plans call for the Council to continue meeting, providing a forum for discussion that will help the developing video industry.

Dealer Council—Circle No. 186 on product card

Paramount adds video lightbox display, catalog

HOLLYWOOD—Paramount Home Video offers a range of point-of-purchase materials for retailers.

Designed to simulate a television set, the Video Lightbox display is "dramatic, unique, and eye-catching," says Paramount. The box plugs into any standard outlet and two flashing bulbs illuminate the colorful "screen" on the TV. It ships with two screens: *The Godfather* and *Star Trek—The Motion Picture*. The display is free and measures 17 inches by 20 inches by 7 inches, according to the manufacturer.

A handy 32-page mini-catalog features the complete Paramount Home Video library in color. New Paramount cassettes ship with the 3½-inch by 5½-inch insert to spur consumer awareness.

Colorful booklets highlighting

the firm's newest releases, each measuring 11 inches by 17 inches in an accordion fold, close to 3-3/4 inches by 9 inches for display. Paramount also offers movie posters to dress up store walls and win-

dows as well as mobile spinning cubes of videocassette boxes suspended from a header card.

Paramount P-O-P Materials—
Circle No. 221 on product card



Paramount Home Video offers dealers a wide array of point-of-purchase materials.

Home Theatre has Video Vender

HOLLYWOOD—Home Theatre offers a smart way to sell video and home movie equipment with the Video Vender.

Designed for the "serious business person," this free-standing display unit demonstrates trailers of videocassettes on sale at that location. The unit also displays the videocassettes behind two separate lockable doors.

This "automatic salesman" requires little attention and is easily adapted to any type of store. Among its features are a tamper-proof TV and VCR compartment.

Also offered is the Video Vender, Jr., a compact, countertop merchandising display model that houses up to 24 videocassettes while displaying six cassette faces.

Video Vender—Circle No. 212 on product card

Video Vender, Jr.—Circle No. 213 on product card

Mattel Retail Sales Department will aid merchants

HAWTHORNE, Calif.—Mattel Electronics has founded a Retail Sales Department to aid merchants in their sale of electronic handheld games, video games and the new Intellivision keyboard.

Managed by Sharon Verduzco, the department has been in existence since mid-December. Currently there are seven merchandisers serving the East Coast with 11 more out west. Plans call for a total of 200 merchandisers by year end serving the entire country.

"Their primary function is to work with retailers and retail store personnel to help them learn our product and understand our product, to merchandise the store, do housekeeping and help them with re-orders," says Verduzco. The merchandisers call on their accounts at regular intervals and, as more staff is added, these calls will increase in frequency.

Additionally, the department now offers a point-of-purchase display for the Intellivision computer sys-

tem. Measuring 3 feet by 6 feet, the keyboard and master component are attached to a television screen. Consumers can approach the unit, code in a preferred program, see the instructions for that particular piece of software and use it for up to 10 minutes. Later, the screen

reverts to the original master component picture.

Merchandisers—Circle No. 280 on product card

Intellivision P-O-P—Circle No. 281 on product card



Mattel Electronics offers a keyboard and master component display for Intellivision.

GE has pre-packed battery sales display

GAINESVILLE, Fla.—A new pre-packed sales display from General Electric will reportedly encourage consumers to purchase the complete GE Rechargeable Battery System. The display features an informative four-color header on cost savings, plus an enticing rebate coupon worth up to \$3 on a purchase of a battery charger, modules with batteries, and Rechargeable Batteries.

The P.O.P display requires little setup time. It is designed for floor merchandising but it can also be separated from its base to serve as a counter display. In addition to positioning it with throwaway batteries, the display can be used for cross-merchandising placement with battery operated products, such as in camera and toy/game departments, says GE.

The three-tier product display holds a total of 48SKUs, including the recently introduced BC-2 Double Chargers, modules with batteries, and Rechargeable Batteries. Four popular battery sizes are included. The four-color header explains that the GE Rechargeable Batteries are a convenient alternative to throwaway alkaline batteries.

Pre-pack Display—Circle No. 217 on product card



General Electric's Rechargeable Battery display features an informative, four-color header.

VCI forms full-service promo department

TULSA, Okla.—Video Communications Inc. announces the formation of a full-service merchandising and promotion department.

The department was developed to establish a full-service merchandising and promotion center for Video Communications, Inc., dealers. Dealers and distributors are encouraged to contact the firm directly for merchandising assistance. The new department is headed by Robert Blair, executive vice president. Blair is assisted by Barbara Chinsky.

The new department will develop comprehensive merchandising and sales aids and a distribution method to place these items, and will create and implement sales incentive programs.

Service Merchandising—Circle No. 198 on product card

Sharp trains TV dealers

PARAMUS, N.J.—Sharp Electronics offers a sales training videotape to the company's television dealers called "The Picture That Lives Up To Its Name."

The VHS tape runs nine minutes and is aimed at showing retail floor sales people and consumers the story behind Sharp's reputation for quality and reliability. The first part of the tape depicts the latest manufacturing procedures and rigorous quality control measures each Sharp television undergoes, says the firm. The second part explains in easy language how each Sharp television component, from chassis to tuner, is designed and works.

Picture That Lives—Circle No. 190 on product card

Ampex Auto-Pack display sets up fast on counter or shelf

REDWOOD CITY, Calif.—Ampex offers the EDR Cassette Auto-Pack in a pre-packed display shipper/merchandiser that sets up fast and takes less than 1 square foot of shelf or counter space.

This new merchandiser includes a mounted "demonstrator" Cassettebox that allows customers to test the new product before they buy. Each display shipper contains 20 Auto-

Packs, consisting of three EDR C-60 or C-90 audio cassettes and four pop-out Cassetteboxes. The fourth Cassettebox is a bonus for the consumer. The EDR C-60 Auto-Pack has a retail value of \$13 and the C-90 Auto-Pack is a \$16 retail value.

Auto-Pack Displayer—Circle No. 153 on product card



Ampex Cassette display holds 20 tapes

Audio Dynamics has cartridge displayer

NEW MILFORD, Conn.—Audio Dynamics has a new point-of-purchase display that is designed to show "why the Integra is quickly becoming the number one selling integrated phonograph headshell-cartridge in the United States."

The battery-operated action display demonstrates Integra's Overhang Adjustment which minimizes offset angle distortion and Integra's exclusive Vertical Adjustment which allows for setting the exact tracking angle record companies recommend.

The striking black-and-red counter display is available through ADC's co-op advertising program.

Cartridge Displayer—Circle No. 227 on product card



Audio Dynamics point-of-purchase display can be hung on a wall, or it can be used as a counter display. It is available through ADC's co-op advertising program.

Columbia Pictures has several promotional aids

NEW YORK—Columbia Pictures Home Entertainment offers several promotional aids for retailers.

In addition to a four-color glossy catalogue, several point-of-purchase items are currently in distribution. Among these items are pamphlets listing titles with photos and descriptive information; counter cards for disbursing the pamphlets; mobiles with colorful segments advertising Columbia Pictures releases; window stickers identifying retailers as authorized dealers, and theatrical posters promoting current releases.

Columbia Aids—Circle No. 182 on product card

WE'RE MORE THAN A NEW COMPANY.
WE'RE NEW CONCEPTS...



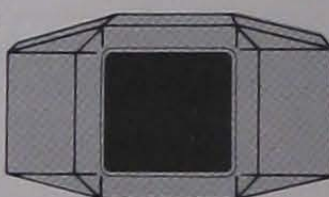
THE COMPANY

NPI Corporation was born full service and rarin' to go. From invention to manufacture, we have the built-in skills and talent it takes to feed a rapidly growing market.

We are not, and never will be a "copy" company. When we do create our version of an existing concept, you can be sure it will be the best on the market. Best in terms of play value, superior software and audience appeal.

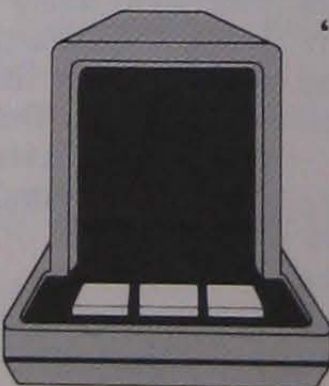
The people behind NPI are known quantities in their fields. Together, we are creating a line of portable arcade games which will stand out from the crowd because of their uniqueness and popular cost.

Naturally, every new company wants to make a good first impression. We've made four of them for your consideration, and we'd like to know what you think.



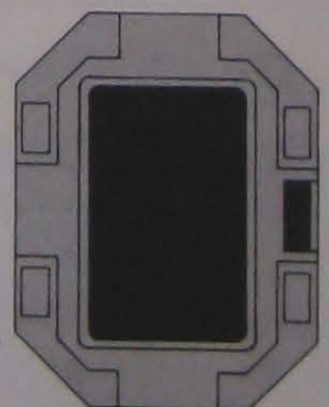
MAZE

This handheld multi-game system is truly one-of-a-kind! No buttons. Real simulation. You move the "ball" through the maze by *tilting* the game. Unique sound effects add to the fun. Sixteen random variations of the basic maze game can be enjoyed... many of which utilize "blockers" which you either try to avoid or hit.



SPACE INVADERS

The *only* portable game on the market with the thrills and sophistication of the popular arcade game. A light pipe and film arrangement give a graphic look to the invaders. There's even a flying saucer you can blast out of the sky! A second game, "Galaxia" is also programmed in.



SLAPSHOT "AIR HOCKEY"

A wildly exciting electronic simulation of the game Air Hockey, with three levels of difficulty! Electronic hockey sticks hit the puck in eight different directions. The puck itself moves with variable velocity, and deflects off center posts and side walls. Electronic sound effects give the game a stadium atmosphere.



Corporate Offices
1050 E. Duane Avenue (G)
Sunnyvale, CA 94086
(408) 732-5001



TRIANGULAR SKITTLE BALL

At last! A game for three! Or two... Each player defends his goal with his LED deflectors. At random, a "ball" is shot out of a triangular serving island in the middle of the play field at high speed. Two levels of difficulty are offered. Here too, sound effects bring excitement to the game.

Circle No. 21 on product card

Directory of Manufacturers' Representatives

WEST COAST

BERMAN-GRAYLEY CO., INC.
350-B Fischer Avenue
Costa Mesa, CA 92626
(714) 549-2122

Sales Representatives
So. California, Arizona, & Nevada
Contact: Rick Hinthorne,
Vice-President
Advanced Consumer Electronics

NEW-WEST
MARKETING INC.

Professionals serving the
electronic and toy industries

Howard B. Kosofsky
San Antonio Circle, Suite 167
Mountain View, California 94040
(415) 941-5700

MILITARY

The M.J. Daniel Company is a manufacturer's representative that sells exclusively to the military PX system and provides in-store service and demonstration worldwide through our own sales force in:

New York
Washington, DC
Pensacola, FL
Los Angeles, CA
Tacoma, WA

Denver, CO
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San Francisco, CA
Honolulu, HI (Pacific)
Kansas City, MO
Dallas, TX

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MIDWEST



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MARKETING INC.

Representing
Advanced
Consumer
Electronic and
Audio Companies
in Ohio, Western Pennsylvania,
and West Virginia.

Contact:

DAVID P. LOCKE
President

RON STETLER
Vice President

3623 Brecksville Road / Richfield, Ohio 44286
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etb

Yes... Manufacturers' Representatives do have a place to advertise.

LEISURE TIME ELECTRONICS serves the electronics marketplace like no other publication. Our 45,000-plus circulation will put your name before buyers and manufacturers of all types of electronic products. The value of this exposure to you is immeasurable.

Please feel free to call collect to place your company's name in this special on-going directory today. Contact Deena Kessler, Special Accounts Advertising Manager, at (212) 953-0230.

Directory of Manufacturers' Representatives

SOUTHWEST

SOUTH

SOLD

**Quadruple
Rep. Card**
4 5/8" X 3 1/8"

**Double
Rep. Card
(vertical)**
2 1/4" X 3"

ATLANTIC

WEST COAST

Directory of Manufacturers' Representatives

ATLANTIC

MIDWEST

**Double Rep. Card
(horizontal)**
4 5/8" X 1 1/2"

**Triple
Rep. Card**
2 1/4" X 4 1/2"

SOUTHWEST

HAWAII

NO. CENTRAL

**Single
Rep. Card**
2 1/4" X 1 1/2"

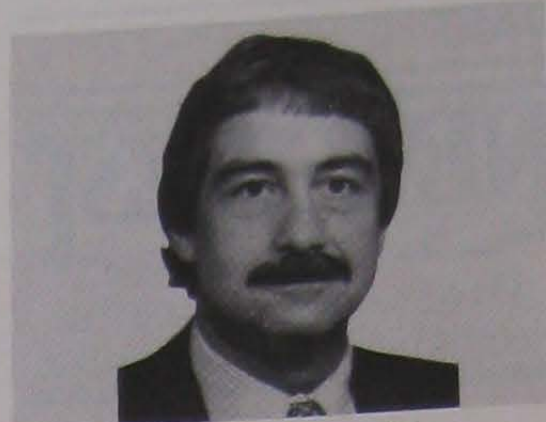
People



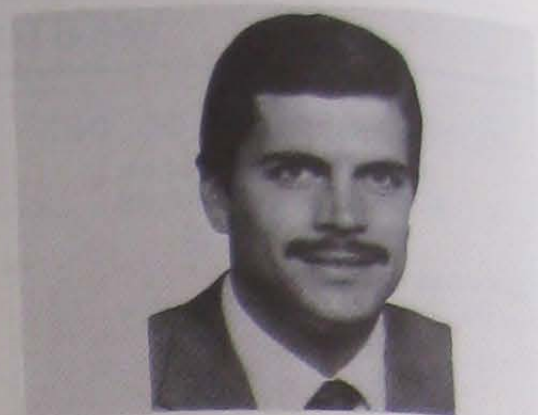
John F. Maye



Frank Caravitis



Lee M. Kennedy



John P. Deasey

Bohsei USA, Chatsworth, Calif., names George Macedon vice president for sales and marketing. His responsibilities include overseeing all sales and marketing functions in the United States, and he will report directly to Fred Shigemasa, the firm's executive vice president.

Macedon joins the firm after serving as national sales manager at Sampo Corporation of America.

3M, St. Paul, Minn., appoints seven staff members in its newly formed Home Entertainment Products Department, four in sales slots, two in marketing, and one in manufacturing.

John F. Maye, former sales manager for the central region, is new national sales manager. Frank Caravitis moves from sales manager for the Northeast Region to manager, Home Entertainment Products, International Marketing. Lee M. Kennedy, previously in International Marketing, is market development manager for Audio Products. Named area sales managers are John P. Deasey, Central Region, and Michael A. Vendetti, Northeast Region.

James W. Joyce, until recently manager of the magnetic tape plant in Hutchinson, Minn., is the new manufacturing manager.

Ampex Corporation, Redwood City, Calif. restructures its Magnetic Tape Division into three separate business management units reporting to Paul D. Baba, director of product and marketing planning.

Also announced is the appointment of Donal F. Bogue to business manager, audio tape products; George F. Armes to business manager, instrumentation tape products and Jerry O. Gunnarson to business manager, video tape products.

Columbia Pictures Videocassette Services, Elk Grove Village, Ill., promotes T. Martin Rennels to

general manager.

In addition, Richard Oliver has been named manager, pay TV sales, and Alex Rafferty has been named operations manager.

Rennels had been business manager. Both Oliver and Rafferty were supervisors in the operations department. All three joined the company in 1979.

Walt Disney Telecommunications and Non-Theatrical Company an-

house Instructional Materials.

Deborah Nicholason, formerly director of Educational Media Marketing, is named vice president, Educational and Non-Theatrical. She will direct marketing of Disney Educational filmstrips, 16mm educational films and feature films for rental.

Oliver de Courson, formerly director of Pay Television, becomes vice president, Administration. He continues his activities in pay

as senior vice president, finance and administration.

Signetics Corp., Sunnyvale, Calif., an integrated circuit manufacturer, names Normal Heller marketing manager of Bipolar LSI. He previously was director of general systems at National Semiconductor.

Microsoft Consumer Products, Bellevue, Wash., names Nicholas D. Roche as sales manager. Formerly with Commodore Business Machines, he will be responsible for all dealer and end-user sales.

Coleco Industries, Hartford, Conn., promotes Martin Nadborny to corporate senior vice president and Barbara C. Wruck to the newly created position of director of marketing services. Nadborny most recently was corporate vice president/operations, and Wruck was coordinator of marketing research.

TDK of Garden City, N.Y. selects Robert J. Grassi as industrial/professional sales manager for the eastern district. He joined TDK from Memorex.

Sampo Corp. of America, Chicago, names Mike Matte eastern regional sales manager. Matte reports to Joe DiFiglio, vice president of sales and marketing. He had represented Sanyo and Toshiba products in the southeast markets of the U.S. before joining Sampo.

RCA Corporation, New York, names Jack K. Sauter a group vice president. As group vice president, Sauter will direct both the company's Consumer Electronics Division and the Distributor and Special Products Division. He will report to Roy H. Pollack, executive vice president. Sauter was vice president and general manager of the Consumer Electronics Division. In his new capacity, he will supervise the manufacture, distribution and sale of RCA consumer products.



PELE KICKS OFF: Magnetic Video president Andre Blay (left) shares a moment with Pele and 20th Century Fox chief operating officer Alan Hirschfield. Magnetic Video Sports recently released a soccer training film with Pele.

nounces three new vice presidential appointments.

Ben Tenn, formerly director of Home Video, is named vice president, Retail Products. He will oversee dealer marketing and assumes duties for two other businesses: Walt Disney Super 8 Home Movies and Disney School-

television, marketing new and existing Disney programming. His new duties include general administration of company operations.

Warner Home Video, New York, appoints Herbert A. Estrin, who for the past year has been a financial consultant and investment advisor,



Robert J. Grassi



Nicholas Roche



Mike Matte



Barbara Wruck

NPI Electronics, the recently formed electronic game manufacturer, names the following sales representatives:

Robert Stiller Associates for New England; Clayton Wofford for North Carolina, South Carolina, Georgia, Alabama, Tennessee and Florida; AM Associates for Montana, Idaho, Wyoming, Utah and Colorado; Jerry Drown Associates for Michigan, Indiana, Ohio, Illinois, Kentucky, Wisconsin and Minnesota; Jack Westbrook for Chicago Land; Salesmark for Northern California; and Marketing Professionals for Kansas, Missouri, Nebraska and Iowa.

Also named were Burt Dimon Co. for Washington and Oregon, Henry Asher Associates for Southern California and Arizona, and Charles

Argenzio for Virginia.

Industrial Electronics Engineers, manufacturers of multiple display technologies, adds to its sales representative network.

Wiley Company, Los Angeles, will rep IEE's Component Products Division in Southern California. The firm has nine outside salesmen serving the region's electronics industry's OEMs and distributors for more than 30 years.

Bib, manufacturers of audio and video accessories, names the following reps for the firm's Audiophile Edition and Videophile Edition maintenance kits:

Jack Moore & Associates, Greenwood, Ind., for Indiana and Kentucky; Firestone & Associates,

Boynton Beach, Fla., for Florida; Devon International Sales Co., Dallas, for U.S. Military Procurement Agencies; and Rocelco, Downsview, Ont., for Canada.

Additionally, the firm awarded its Annual Rep of the Year Citation to Bill Kist & Associates, Great Neck, N.Y. during its recent national sales meeting.

The Avalon Hill Game Company, Baltimore, Md., manufacturers of Microcomputer Games, announces the appointment of the Witz-Knight organization to cover Minnesota and North and South Dakota.

Walt Disney Home Video names RepCo Pacific of Honolulu as the company's Hawaiian sales rep.



REPS MEET: The New York Chapter of ERA met recently to hear Harry Elias, JVC (standing) Al Goldstein, RMS Electronics (seated), RCA's Jim Murphy and Artie Bach, All Star Video discuss the future of home video.



REP REWARD: Martin Friedman, Marketing East Industries, received a \$5000 vacation gift certificate and commemorative plaque from Ampex national sales manager Richard Antonio (l) when he was named the firm's leading rep recently.

Import, export statistics record changes in electronics

WASHINGTON—A substantial number of changes in U.S. consumer electronics imports and exports in 1980 have been cited in statistics released by the Marketing Services Department of the Electronics Industries Association's Consumer Electronics Group.

Exports of color television receivers increased by 787,638 units in 1980, a gain of 110.2 percent over 374,653 units exported in 1979. Customs value of color TV exports increased to \$276,982,380 in 1980. Exports of monochrome television increased by 6.7 percent to 168,857 units last year, and exports of TV combinations increased by 49.2 percent to 13,425 (up from 8,997 in the previous year).

Audio and videotape equipment exports increased last year, but exports of entertainment band radios declined. Auto radio shipments out of the country remained even with those of 1979.

Color television imports in 1980 were 1,292,697 units, down 5.5

percent from 1,368,600 units landed in 1979. Customs value of color TV imports increased slightly last year. Monochrome television receiver imports totaled 6,172,173 units in 1980, up 5.1 percent over 5,874,099 units brought into the U.S. the year before. Customs value of monochrome TV increased by 13.2 percent over 1979.

Audio tape recorder/player imports increased to 19,562,185 units in 1980, a gain of 20.9 percent over 16,183,929 units imported in 1979. Customs value of these goods in 1980 amounted to \$845,896,126. Imports of video tape recorders/players (color and monochrome) rose to 939,748 units in 1980, an increase of 49.3 percent over 629,280 units landed the year before. Customs value of this product category increased by 43.9 percent in 1980.

Home radio imports in 1980 were 29,874,183 units, up 3.0 percent over 28,998,148 units brought into the U.S. in 1979. Customs value of

home radios declined in 1980. Auto radio imports declined to 3,393,513 units in 1980, down 23.4 percent from 4,431,147 units imported the year before. Customs value of auto radios declined by 28.2 percent in 1980.

Phono Imports

Imports of phonographs only in 1980 amounted to 869,587 units, a decrease of 16.7 percent from 1,044,245 units landed in 1979. Phono-combinations imported in 1980 were 2,099,491 units, down 23.8 percent from \$2,756,450 units brought into the country in 1979.

Imports of record players, changers and turntables in 1980 declined to 5,342,474 units, off 23.6 percent from the 6,995,627 units imported in 1979.

Auto audio tape players imported in 1980 declined to 9,362,605 units, down 10.8 percent from 10,490,503 units landed in the prior year. Home audio tape players imported last year totaled 2,334,095 units, a dip of

19.6 percent from 2,901,850 units brought into the U.S. in 1979. Customs value of home audio tape players rose slightly in 1980.

Exports of color television receivers in 1980 increased to 787,638 units, up 110.2 percent over the 374,653 units exported in 1979. Customs value of color TV exports increased by 107.8 percent last year. Monochrome television exports increased by 6.7 percent in 1980 while TV combinations increased by 49.2 percent and customs value of this latter product category increased by 123.8 percent.

Exports of entertainment band radios decreased last year. Auto radio exports remained about even with those for 1979.

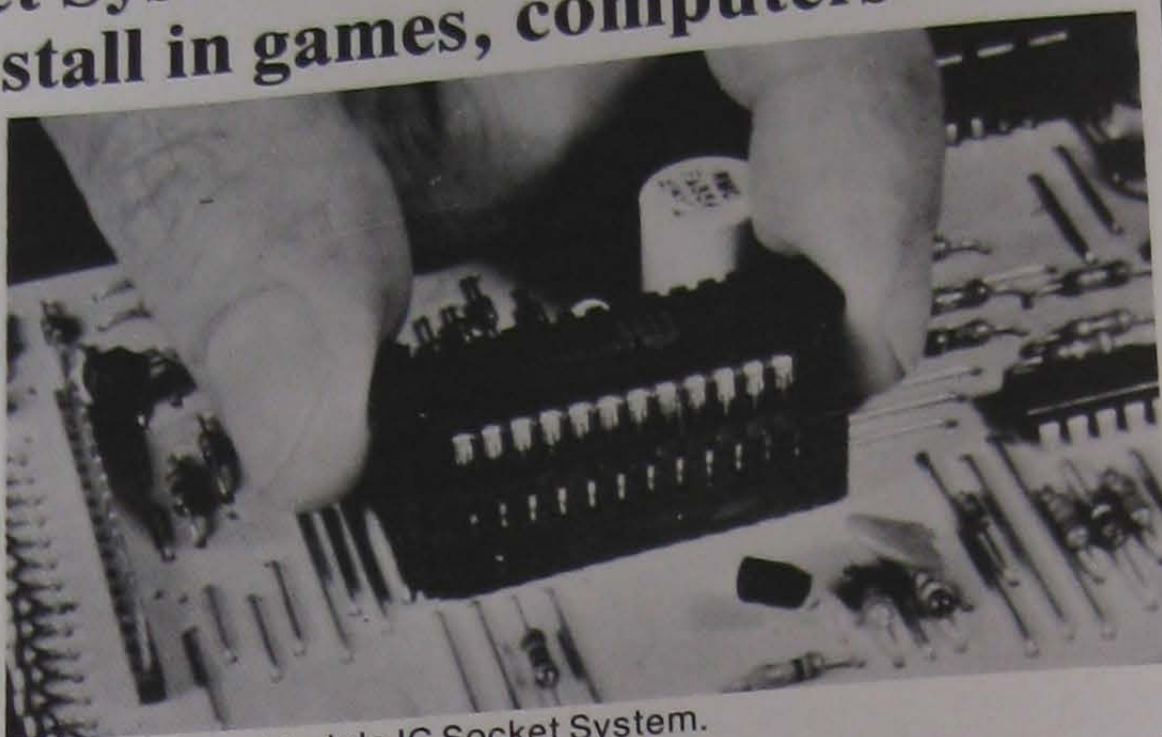
According to the figures compiled, phonograph exports declined 26.5 percent in 1980, but audio and videotape equipment exports both increased, with the latter product category up 48.5 percent over 1979 exports.

Module IC Socket System makes memory devices easy to install in games, computers

DOWNERS GROVE, Ill.—Molex has announced that its Memory Module IC Socket System, designed to make memory devices in games and microcomputers easy to install and change, is now available on the general market.

The product, says Molex, provides "a low-cost method of interchanging DIP devices instead of entire circuit boards. An IC device is inserted into the carrier and the pins are formed to secure the IC in place. The carrier assembly is then inserted into the socket and withdrawn by means of pull tabs on either end of the carrier. Inserts and withdrawal forces are less than 5 pounds. In addition, the carrier and socket are keyed to each other to prevent misassembly of the IC device."

The system is available for 24-pin, 28-pin or 40-pin DIP devices. "Originally developed by



Molex' Memory Module IC Socket System.

Molex as a custom product for an electronic language translator, it has paved the way for rapid interchange of IC chips on Panasonic and Quasar's new Personal Portable Computer System," the

company says. "This system could well become the industry standard of the future for DIP memory devices."

Memory Module—Circle No. 282 on product card

Video Corp. goes coast-to-coast

NEW YORK—The Video Corporation of America now offers coast-to-coast duplication capability with the opening of its fourth major market facility, Teletronics Video Services/Western Division, in Huntington Beach, Calif.

According to Tom DeMaeyer, vice president of VCA, "Our California operation is unique in the corporate umbrella. It is the only one of four plants designed exclusively for mass volume duplication of cassettes for the home video market. The Western Division, unlike our operations in New Jersey, Chicago and Houston, will not handle industrial accounts."

The new 26,000-square-foot plant, at 5102 Argosy Drive, Huntington Beach, Calif., is headed by Arden Thompson, general manager.

Video Duplication—Circle No. 196 on product card

Sample kit allows speech capability evaluation

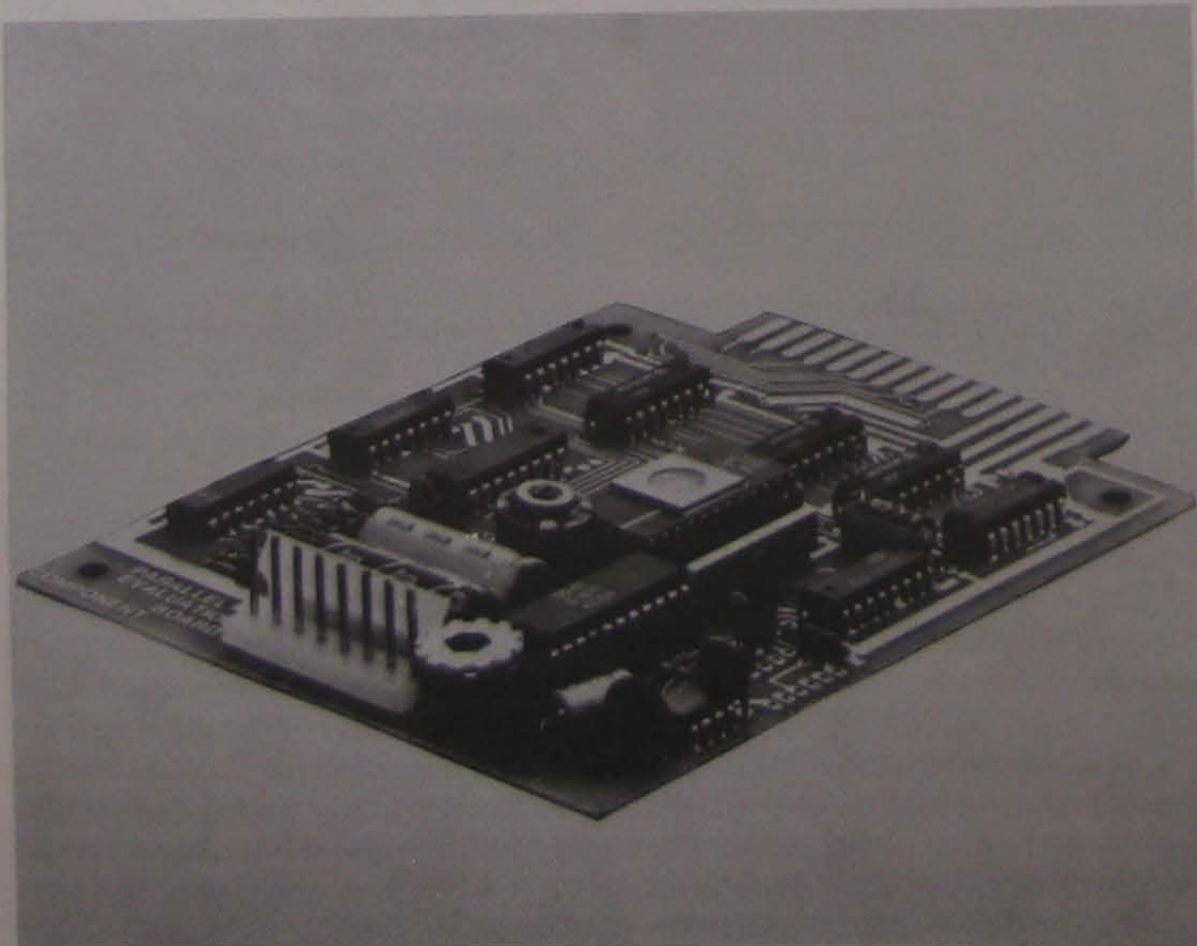
DETROIT—A phonetic voice synthesizer in the form of a sample evaluation kit is now available from Votrax to system designers who wish to incorporate speech capability into their products.

The Votrax Speech PAC (Phoneme Access Controller) is a small self-contained circuit board consisting of a CMOS silicon speech chip, external controller, memory, and on-board audio amplifier. The unit comes preprogrammed with 250 stored words and phrases which can be intermixed with phoneme se-

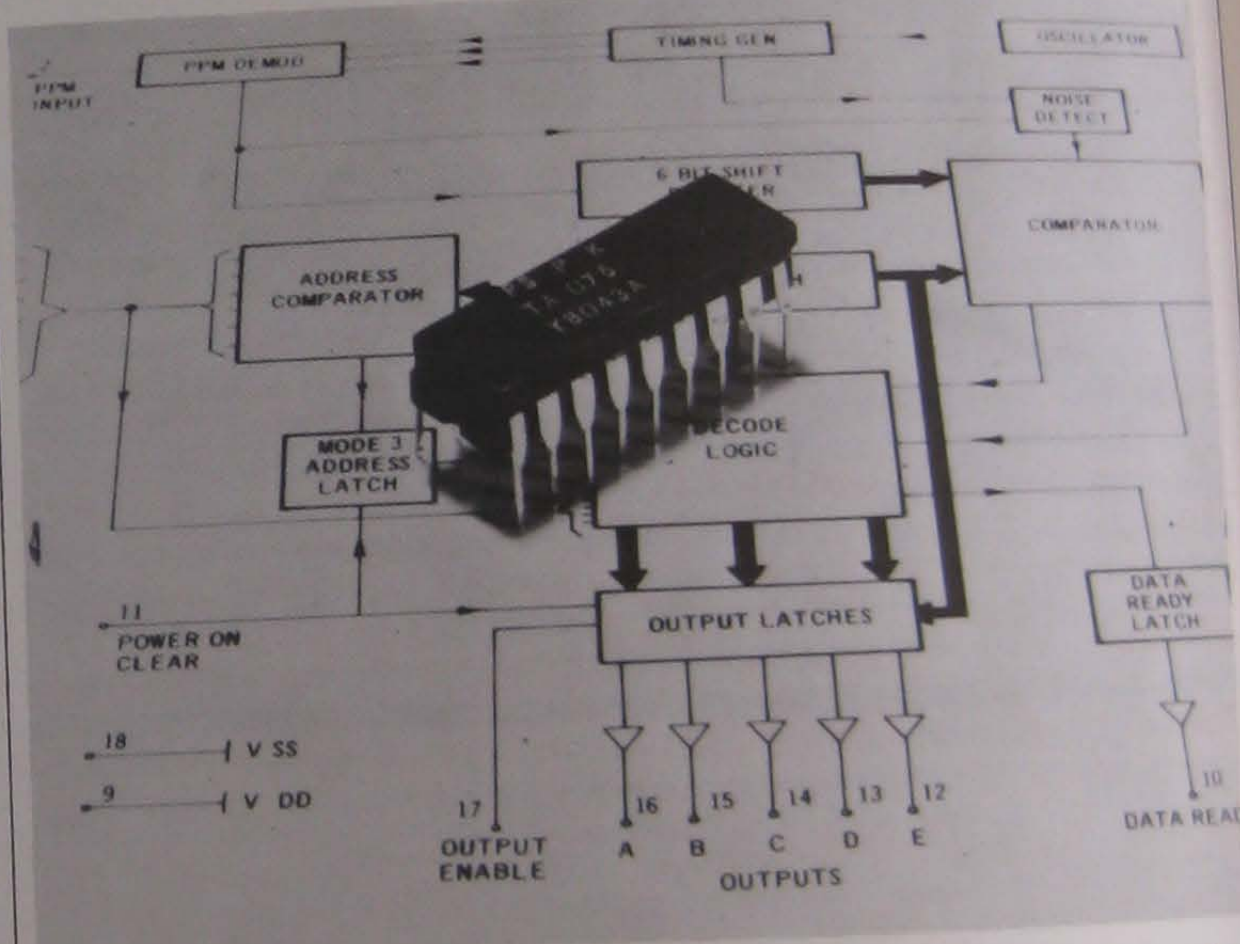
quences to provide unlimited vocabulary.

Priced at \$275 per unit, the Speech PAC is reportedly ideal for use in evaluating the potential for phonetic speech synthesis in a variety of low-budget, low-volume personal or OEM product design systems, including home computers, appliances, electronic toys and games, alarm systems and calculators.

Speech PAC—Circle No. 205 on product card



Votrax Phoneme Access Controller comes on a small, self-contained circuit board.



The ML 924 TV control receiver chip decodes PPM information and receives preamplified control commands for channel selection and loudness.

ML 924 television-control receiver chip available from Plessey Semiconductors

IRVINE, Calif.—The ML 924, a highly versatile tv-control receiver chip that decodes PPM information for a wide variety of MOS microcomputers, is now available from Plessey Semiconductors.

The new MOS LSI device receives preamplified channel-and-loudness-control commands from a viewer's handheld ultrasonic transmitter. After serial-to-parallel conversion and subsequent decoding, the data are used as command inputs to the tv set's controlling microcomputer. ML 924 interfaces readily with all popular types of MOS chips from General Instruments, Intel, Moto-

rola and Rockwell International. Plessey also offers an integrated preamplifier with adjustable gain of 10 db to 60 db and low input noise voltage that is designed for use in a range of low-cost applications, including burglar alarms, smoke detectors, dictation and phone-answering machines and infra-red applications as well as high-quality audio equipment. Part number SL 561C Ultra Low Noise Preamplifier is available off the shelf in OEM quantities.

ML 924—Circle No. 184 on product card
SL 561C—Circle No. 185

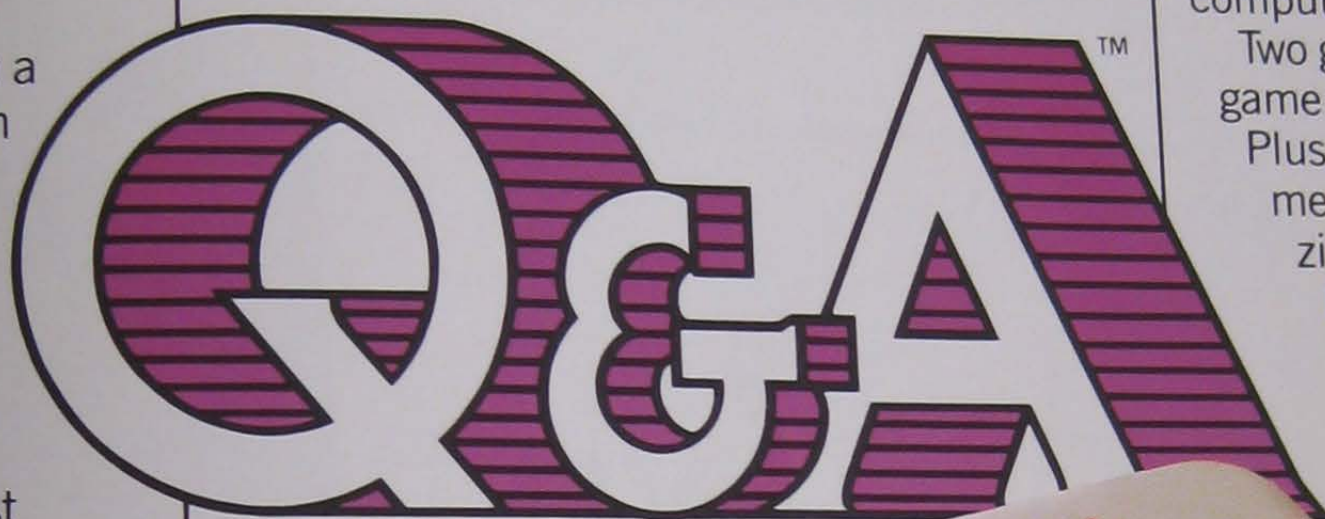
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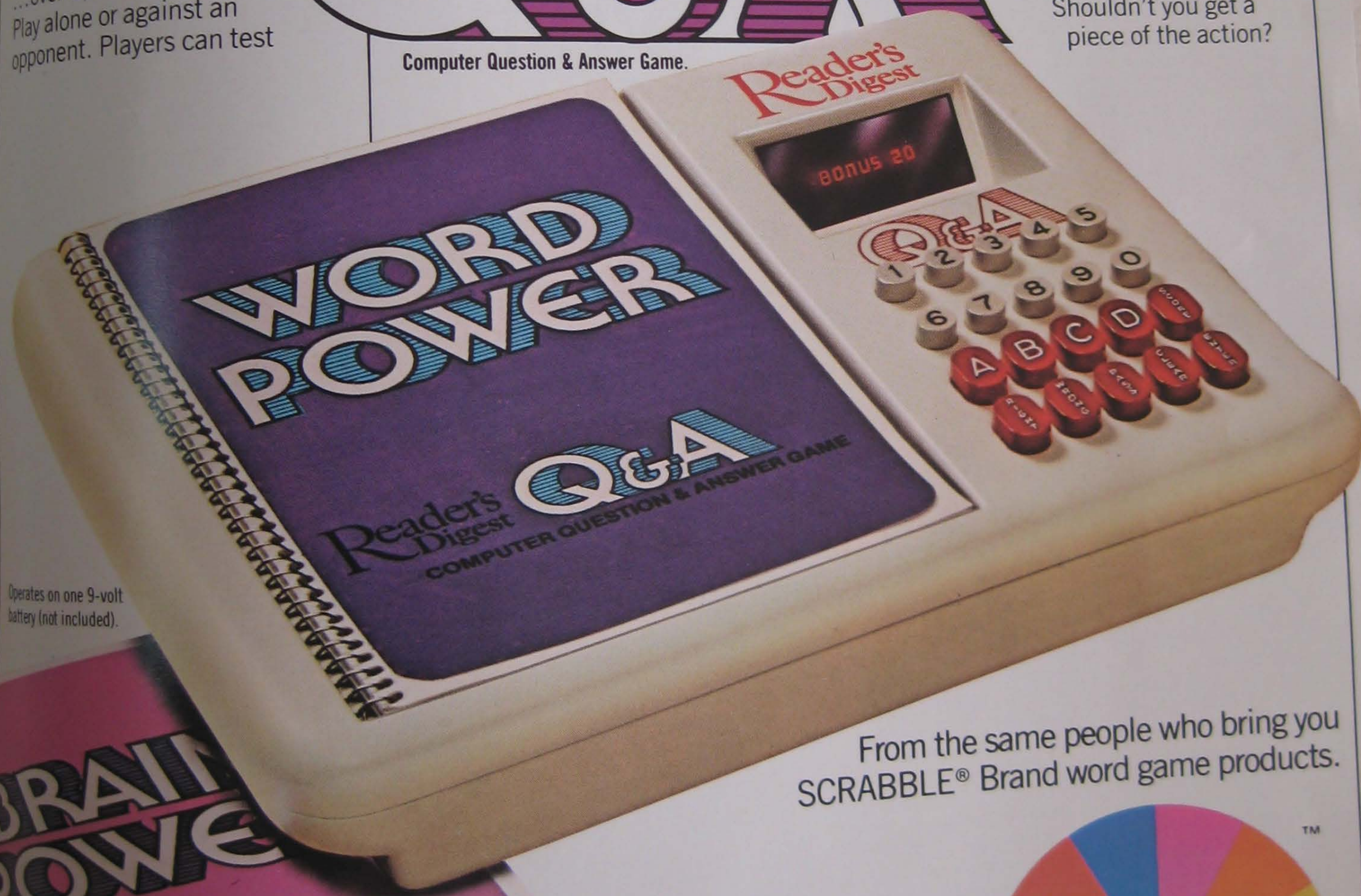
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Circle No. 81 on product card

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